

DOCUMENTS ON INTERNATIONAL AFFAIRS 1933

EDITED BY

JOHN W. WHEELER-BENNETT

*Deputy-Chairman of the Information Committee
Royal Institute of International Affairs*

ASSISTED BY

STEPHEN A. HEALD

*Secretary, Information Department
Royal Institute of International Affairs*

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PREFACE

THE outstanding events of international interest during the year 1933 were connected, directly or indirectly, with the concentrated efforts to solve the problem which dominated all others—the problem of Franco-German Relations and the attainment of a Disarmament Convention. There were undoubtedly other important aspects of international affairs during the same period, but all were overshadowed by the drama which was played first at Geneva and latterly in the capitals of Europe.

For this reason the greater part of the Documents Volume for 1933 is devoted to Disarmament and its attendant problems of Security and of the German Claim to Equality. The 1932 Volume closed with the Five-Power Agreement of December 11, which paved the way for the return of Germany to the Disarmament Conference in January 1933. The present volume, therefore, begins with the British Draft Convention of March 1933, and includes all relevant documents both on this phase and also on the negotiations which culminated in the signature of the Four-Power Pact in July, the second withdrawal of Germany in October, and the subsequent diplomatic conversations between the Powers. Because these were prolonged until well into the spring of the present year, and because it was considered more useful to give a complete documentation of the subject, it was decided to include the memoranda exchanged up to the final French Note of April 17, 1934, which terminated the Anglo-French and Anglo-German exchanges. The whole story up to the eve of the re-convening of the General Commission on May 29 is therefore to be found under one cover and is thus made easy for reference.

Other important events of which the documents are given are the World Economic Conference, the principal pronouncements on the Gold Clause in international agreements, the negotiations which preceded the 'token' War Debts payments to the United States in June and December, the situation created by the activities of the National-Socialist Party in Austria, the German Concordat with the Holy See, the recognition of the U.S.S.R. by the United States, and the Pan-American Conference at Montevideo. Dictates of space have necessitated the omission of much other interesting material. The difficulty of choice has been very great; responsibility (and blame) for selection lies with the Editor.

Some surprise may be felt that such vital documents as the laws governing the National Recovery Administration in the United

States, the Italian Corporations Bill, and the Enabling Act passed by the German Reichstag on March 23, 1933, find no place in this volume. Undoubtedly these documents have very great international implications and repercussions, but in themselves they are matters of purely domestic legislation and therefore lie outside the terms of reference of a volume of Documents on International Affairs. All these documents, however, and many others, will be found in the collection of the Information Department at Chatham House and may be consulted there.

As in previous years my most grateful and appreciative thanks are due to Mr. Stephen Heald, Head of the Information Department, upon whom has fallen most of the work of the preliminary collection and arrangement. His help throughout has been of the greatest assistance. I am further greatly indebted to Mr. Oliver Lawrence, of the Information Department, for assisting me in the arrangement and annotation of the economic documents. The work of compiling the accompanying Chronology of International Treaties and Conventions has been carried out by Miss Katherine Duff.

JOHN W. WHEELER-BENNETT.

A. 14 ALBANY,
PICCADILLY.
June 2, 1934.

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A. GENERAL

I. WORLD ECONOMIC AFFAIRS

1. THE WORLD MONETARY AND ECONOMIC CONFERENCE¹

THE genesis of the London Economic Conference is to be found in the Final Act of the Lausanne Conference, signed on July 9, 1932, of which the fifth instrument² recorded the resolution of the Conference to determine 'the measures necessary to solve the other economic and financial difficulties which are responsible for, and may prolong, the present world crisis'. The necessity of restoring currencies 'to a healthy basis' and of thereby making possible the abolition of measures of exchange control was emphasized, together with 'the vital need of facilitating the revival of international trade'. It will be recalled that the Lausanne Conference had originally met with the object of considering all these problems, but that at an early date it had decided to devote most of its energies to the liquidation of the Reparations problem. The responsibility of convening a conference to consider further economic and financial problems was left with the Council of the League of Nations, and a preliminary examination of the more pressing of them was entrusted to a committee of experts recruited by invitation from the Governments of Belgium, France, Germany, Great Britain, Italy, Japan, and the United States, and from the Council of the League of Nations and the Bank for International Settlements, to which further additions were made from time to time.³

The Committee met during the later months of 1932 to consider the main problems enumerated in the Lausanne resolution, and its report⁴ was transmitted to the organizing Committee of the League for consideration on January 19, 1933. It consists of two parts, the first laying down in broad outline the main problems confronting the Conference, the second containing detailed suggestions for their solution and indicating the technical difficulties involved. The experts stressed the importance of appreciating the close interconnexion of the various problems, and emphasized the value of preliminary negotiations between the participating Governments to facilitate concerted action at the Conference. Particular importance was attached to the restoration of an effective international monetary standard, to the achievement of a higher price-level, to the abolition of exchange restrictions and to the progressive reduction of trade barriers.

It had originally been intended to hold the Conference early in the New Year, but the course of domestic politics in France and the United States necessitated a postponement until June 12. In the interval a number of events occurred which had a marked influence on the history of the Conference. In the first place, an internal crisis of bank liquidity in the

¹ See *Survey of International Affairs, 1933*, Part I (ii).

² See *Documents on International Affairs, 1932*, pp. 21-2.

³ The Committee finally included one representative each from India and China, one co-opted member, and representatives of the International Labour Office and the International Institute of Agriculture.

⁴ See below, p. 4.

United States led to the final abandonment of the gold standard by that country on April 19. At the same time President Roosevelt embarked upon a plan of internal reconstruction in which emphasis was laid on the reflation of the price level, and which excluded stabilization of the dollar until this objective should have been achieved. The development of American economic policy in the early part of 1933 was, therefore, mainly in conflict with the views of the gold currency countries, which placed the return to a stable money standard at the foundation of all efforts towards economic recovery. Simultaneously, nationalistic tendencies in economic affairs continued to make themselves felt in other countries, and little eagerness was shown to enter into those preliminary negotiations which the Experts' Committee had characterized as an important forerunner of concerted action. Finally, failure to conclude a satisfactory and final settlement of the War Debt problem, which was mainly the outcome of the increased currency instability, left a political stumbling-block in the way of the Conference whose removal would have contributed much, if only by fostering confidence, to its success.

After spending three days in general discussion, the Conference commenced committee work on June 15 under two main commissions. The Monetary and Financial Commission, working through two sub-committees, was entrusted with the investigation of 'Immediate Measures of Financial Reconstruction' and 'Permanent Measures for the Re-establishment of an International Monetary Standard'.

The Economic Commission took as its programme—Commercial Policy, Co-ordination of Production and Marketing, Indirect Protectionism, Direct and Indirect Subsidies, Public Works.

It was appreciated early on that little progress could be made with other problems until the possibility had been removed of competition in depreciating currencies during the life of the Conference. With this object in view, representatives of the Central Banks and Treasuries of Great Britain, France, and the United States were engaged, outside the Conference, in evolving a scheme whereby the London-Paris-New York exchanges might be held within limits during the life of the Conference. Their plan proved unacceptable to President Roosevelt when submitted to him on June 17. From this date onwards it became increasingly obvious, from official statements by the United States delegation, that stabilization of any kind was not in accordance with the President's policy, which was concerned with securing the greatest possible freedom for the internal Recovery Plan. Efforts on the part of the American delegates to concentrate attention on other items in the agenda were unavailing, and by the end of the second week of the Conference the members of the gold currency group were becoming noticeably restive at the failure of the Conference to achieve what they considered to be the agreement fundamentally necessary for all other constructive action. Simultaneously, a considerable selling pressure was being exerted against the gold currencies, and there was some anxiety that the pound might at any moment start in pursuit of the depreciating dollar.

In these circumstances, the gold group intimated that, unless early stabilization could be envisaged, it would be advisable to adjourn the Conference pending a more definite outcome to President Roosevelt's

efforts to raise American internal prices. A statement¹ was accordingly prepared placing on record in very general terms the belief of the signatory Governments that 'stability in the international monetary field be attained as quickly as practicable', and asserting the resolve of the countries with free currencies 'that the ultimate objective of their monetary policy is to restore, under proper conditions, an international monetary standard based on gold'. This resolution was submitted to the President on June 30 and it was hoped that it was framed in such general terms that he would not hesitate to accept. The President's reply of July 3,² however, showed that the divergence between American policy and European aspirations was even wider than current opinion had calculated, and put an end to prospects of immediate stabilization. The representatives of the gold countries, nevertheless, in a statement on the same day,³ reiterated their conviction that 'the maintenance of their currencies was essential for the economic and financial recovery of the world', and five days later representatives of their Central Banks announced that a complete understanding existed among them as to the practical measures necessary to uphold this resolution.⁴

Failure to reach an agreement on stabilization seemed likely to jeopardize the further existence of the Conference, but hard work by the Bureau between July 3 and July 6 succeeded in enforcing its expressed determination 'to proceed with the work of the Conference to the utmost possible extent'. The future of the Financial Sub-committee on 'Immediate Measures' seemed particularly uncertain until Mr. Neville Chamberlain argued the close interconnexion of the six items on its agenda, and succeeded in securing a prolongation of its activities on the plea that, though unanimity on individual subjects might prove impossible, further discussion might well lead to the modification of national views. The discussions of the Committees, therefore, continued, but in an atmosphere so unfavourable to constructive results that on July 14 the President asked for progress reports by July 20, and an early adjournment became inevitable. The Report of the Bureau, with the Reports of the Commissions attached, was accordingly presented on July 26; it included a summary account of the work undertaken and a resolution⁵ regarding procedure for the reconvo-cation of the Conference or of any of its committees.

The Report of the Financial Commission⁶ recorded a certain degree of agreement on indebtedness, which had been the subject of discussion in the Sub-committee on Immediate Measures on reassembly on July 11, and various recommendations on Silver and Central Bank policy from the Permanent Measures Committee.

The Report of the Economic Commission⁷ contained an account of discussions on the subjects of commercial policy, the co-ordination of production and marketing of a number of products, indirect protectionism by various measures, and bounties and subsidies. Examination of the problem of public works, which figured on the Agenda, had been postponed.

Two agreements and one statement of policy that are worthy of record were concluded outside the Conference but are directly attributable to its

¹ See below, p. 43.

³ See below, p. 45.

⁵ See below, p. 108.

² See below, p. 43.

⁴ See below, p. 45.

⁷ See below, p. 57.

See below, p. 45.

influence. The efforts of Senator Pittman and the American delegation in a sub-committee of the Financial Commission were rewarded by the conclusion of a multilateral convention between the principal producing and consuming countries to regularize the absorption of silver and its withdrawal from the market with a view to eliminating price fluctuations.¹ The Governments of the producing countries agreed to sell no silver during a period of four years, but to purchase a total of 140 million ounces during that period, being the amount to which the Indian Government undertook to restrict its releases. The agreement did not cover transfers of silver for War debt payments, and amounted in fact to an arrangement whereby 140 million ounces of silver were removed from the active market.

On August 25, a month after the adjournment, a Wheat Agreement² was signed by the principal exporters (including the U.S.S.R.) and the principal importers, whereby the former undertook to limit their shipments during the crop year 1933-4 to certain agreed maxima, and the latter agreed not to encourage an extension of domestic production, to stimulate consumption, and to proceed to a progressive lowering of duties and a substantial modification, during 1934-5, of quantitative restrictions on imports in the event of price improvements.

Finally, the presence in London of delegates of the various members of the British Commonwealth facilitated the continuance of the discussions which had begun at Ottawa in the previous summer on the subject of the Monetary Policy of the British Empire. Throughout the stabilization overtures at the outset of the Conference it was obvious that Great Britain intended to steer a course midway between the 'Gold' group and the United States. With the adjournment of the Conference, a statement of policy³ was issued over the signature of all the British Commonwealth delegates, with the exception of the representative of the Irish Free State, reiterating and enlarging the tentative conclusions arrived at by the Ottawa Conference in favour of a concerted price deflation through cheap money policies with the ultimate object of restoring a satisfactory international gold standard. On the question of 'the expansion of Government programmes of capital outlay' it was decided that each Government must act 'in the light of its own experience of its own conditions'.

(i) *Draft Annotated Agenda Submitted by the Preparatory Commission of Experts, January 19, 1933.*⁴

PART I

A. INTRODUCTION

The Preparatory Commission of Experts has been given the task of preparing a draft annotated agenda for the forthcoming Monetary and Economic Conference. In undertaking this task, we have been guided by the terms of reference transmitted to us by the Council

¹ See below, p. 108.

³ See below, p. 115.

² See below, p. 111.

⁴ League Document, 1933, ii. Spec. 1.

of the League of Nations, and by certain preliminary discussions recorded in the Final Act of the Lausanne Conference. This Conference, having arrived at far-reaching decisions with regard to the pressing problem of reparations payments, invited the League of Nations to convoke a World Conference 'to decide upon the measures to solve the other economic and financial difficulties which are responsible for, and may prolong, the present world crisis'. In this message from Lausanne, we have found the clearest indication of our general mandate.

Before setting forth the problems which require solution, we wish to call attention to the gravity of the situation with which the world is confronted.

Unemployment has recently been estimated by the International Labour Office as involving at least thirty million workers. Even this huge total, which does not include the workers' families or other dependants, is probably an underestimate. The burden of suffering and demoralization resulting from unemployment of such proportions is appalling.

Wholesale commodity prices—expressed in gold—have declined since October 1929 by roughly a third, raw material prices on the average by 50 to 60 per cent. In the middle of December, at Winnipeg, the price of wheat fell to the lowest level recorded in any primary market for wheat during the past four centuries. Such price-declines have produced profound disturbances in the economic system. They have thrown completely out of adjustment prevailing costs of the various factors of production, have made business enterprise generally unremunerative, and have seriously disorganized practically all the world markets.

World stocks of agricultural products and of other raw materials continue to accumulate. The index of world stocks for 1932 was double that for 1925. Huge accumulations thus overhang some of the principal markets and burden the processes of orderly price readjustment.

Industrial production has been drastically curtailed, particularly in those trades producing capital equipment. The depths which have been reached in some instances are illustrated by the position of the United States steel industry, which, at the close of 1932, was operating at only 10 per cent. of capacity.

The international flow of goods, hindered by currency disorders and restricted by a multiplicity of new governmental interventions, has been reduced to incredibly low levels. The total value of world trade in the third quarter of 1932 was only about one-third of that in the corresponding period of 1929. The fall during the three-year period was continuous.

Moreover, the quantum of goods in foreign trade appears to have fallen by at least 25 per cent., by far the largest fall on record.

As a result of price-declines and the fall in the volume of production and trade, national incomes in many countries have fallen, it is estimated, by more than 40 per cent. The revenues of Governments, as a consequence, have suffered sharp reductions, while expenditures have shown no corresponding decline. The inevitable result has been a series of budget deficits which, in some cases, have reached unprecedented proportions.

Only a handful of countries now retain free and uncontrolled gold-standard currency systems. Almost half the countries of the world are off the gold standard, and, in some forty countries, exchange restrictions have been imposed.

Currency disorganization, price-declines, curtailment of trade have thrown into sharp relief the vast and difficult problems of indebtedness with which many, if not most, countries are confronted. As matters now stand, there are countries the total value of whose export trade has fallen below the sums required for external debt service alone.

Facts such as these indicate the extremities to which the forces of disintegration have already carried the economic and financial world. Further losses of ground cannot be contemplated without the gravest forebodings. Happily, in some quarters, there have recently been certain auguries of improvement. Thus security markets in almost every country have for several months past shown some resistance, despite discouragements. In the set-back which followed the slight revival after Lausanne, the security markets, unlike the commodity markets, did not lose all the gains that had been made. It is evident that more favourable monetary conditions, technical economic readjustments and reviving confidence are being currently interpreted by those who assume the risks of investment as affording the possibility of a genuine change for the better in the economic situation.

Nevertheless, recovery will be halting and restricted if unaccompanied by broad measures of reconstruction. Three years of world-wide dislocation have generated a vast network of restraints upon the normal conduct of business. In the field of international trade, prohibitions, quotas, clearing agreements, exchange restrictions—to mention only some of the most widely employed forms of regulation—throttle business enterprise and individual initiative. Defensively intended, and in many instances forced by unavoidable monetary and financial emergencies, these measures have developed into a state of virtual economic warfare. It is not only in the field of trade that

this tension exists. In the difficult sphere of international monetary and currency relations and in the world capital markets, free international co-operation has given place to complex and harassing regulations designed to safeguard national interests. If a full and durable recovery is to be effected, this prevailing conflict of national economies must be resolved.

The measures to be adopted to this end constitute the problem which the Governments must shortly face in London. In essence, the necessary programme is one of economic disarmament. In the movement towards economic reconciliation, the armistice was signed at Lausanne; the London Conference must draft the Treaty of Peace. Failure in this critical undertaking threatens a world-wide adoption of ideals of national self-sufficiency which cut unmistakably athwart the lines of economic development. Such a choice would shake the whole system of international finance to its foundations, standards of living would be lowered and the social system as we know it could hardly survive. These developments, if they occur, will be the result, not of any inevitable natural law, but of the failure of human will and intelligence to devise the necessary guarantees of political and economic international order. The responsibility of Governments is clear and inescapable.

B. GENERAL PROGRAMME OF THE CONFERENCE

The programme of reconstruction which we deem it necessary for Governments to undertake is set out below. In this programme, the problem of inter-Governmental indebtedness has not been included, because it lies outside our terms of reference. In our opinion, however, it is essential that this question shall be settled and that the settlement shall relieve the world of further anxiety concerning the disturbing effects of such payments upon financial, economic, and currency stability. Until there is such a settlement, or the definite prospect of such a settlement, these debts will remain an insuperable barrier to economic and financial reconstruction. We therefore attach the greatest importance to the early resumption and successful conclusion of negotiations upon this problem.

The main questions for the Conference, as set out in the Lausanne resolution of July 15, 1932, were as follows:

(a) *Financial questions:*

- Monetary and credit policy;
- Exchange difficulties;
- The level of prices;
- The movement of capital.

(b) *Economic questions:*

Improved conditions of production and trade interchanges, with particular attention to:

Tariff policy;

Prohibitions and restrictions of importation and exportation, quotas, and other barriers to trade;

Producers' agreements.

Before embarking upon a discussion of these questions, it is necessary to emphasize the close interconnexion between the various elements of the problem. It will not, in our judgement, be possible to make substantial progress by piecemeal measures. A policy of 'nibbling' will not solve this crisis. We believe that the Governments of the world must make up their minds to achieve a broad solution by concerted action along the whole front. Action in the field of economic relations depends largely upon monetary and financial action, and vice versa. Concerted measures in both fields are essential if progress is to be made in either. While we have kept roughly to the order set out in the Lausanne resolution, we attach no particular importance to the precise method of classification.

In stressing the necessity for concerted action, we do not wish to suggest that nothing can be accomplished before the Conference meets. On the contrary, the success of the Conference will depend in great measure upon the vigour with which the participating Governments enter upon preliminary negotiations in the meantime. The prospects of substantial all-round success in the necessarily complex and multilateral conference discussions will be greatly enhanced if, in the intervening months, preliminary negotiations have cleared the way for reciprocal concessions.

The principal questions which the Governments have to consider can be summarized as follows:

1. In the field of monetary and credit policy, the objective must be the restoration of an effective international monetary standard to which the countries which have abandoned the gold standard can wisely adhere. Each Government must, of course, remain free to decide when and under what conditions it could adopt such a standard, and we do not suggest that this can or should be done without the most careful preparation. The notes appended clearly show that there are a great number of economic as well as financial conditions which must be fulfilled before the restoration of an international gold standard can be a practical possibility. Moreover, it will be necessary to provide effective safeguards against such a

restoration of the gold standard leading to a fresh breakdown. The question has to be considered whether measures can be taken, with the co-operation of Central Banks on the lines of the recommendations suggested in the report of the Gold Delegation of the League of Nations, to ensure a greater stability of price-levels in the future.

2. The unprecedented fall of commodity prices in recent years has caused a growing disequilibrium between costs and prices, has immensely increased the real burden of all debts and fixed charges, has made business more and more unprofitable, and has resulted in a continuous and disastrous increase of unemployment throughout the world. Some increase in the level of world prices is highly desirable and would be the first sign of world recovery. The Conference will no doubt wish to explore all possibilities of counteracting this fall in prices. One of the methods that should be considered is the continuation and development, where monetary conditions permit, of a general policy of easy money designed to promote a healthy expansion of business.

At the same time, the question requires to be considered whether, particularly in the case of certain primary commodities where large stocks are overhanging the markets, a better level of prices could not be obtained by the regulation of exports or production. Such an arrangement could be of special importance in the case of wheat, the cultivation of which represents the livelihood of a large proportion of mankind.

Of course, any rise in prices which might be obtained by such means can, in the long run, be maintained only by a general improvement of trade such as would follow from the abolition of present-day restrictions and the restoration of financial confidence.

3. The abolition of exchange restrictions is an essential condition of world recovery. For this purpose, the Governments concerned must take the internal measures necessary to secure the stability of their budgets and of their economic systems. In some cases, however, these efforts will not be sufficient so long as there is a mass of short-term foreign debts, which may at any moment be withdrawn; in other cases, even the service of the long-term foreign debts entails great difficulties. These difficulties will require careful treatment. The objective must be to restore the confidence of the foreign lending markets, and much depends on the future level of prices.

It may be hoped that, if appropriate action is taken on these points, the markets of the creditor countries may soon be in a position to resume lending operations; but, in view of the general breakdown of international confidence, the process may well be a slow one. The

restoration of free exchanges is so essential to the recovery of financial confidence and to the resumption of the normal flow of international credit that the Governments should consider whether they cannot expedite the process. In order to do this, some means might be organized by which resources at present immobilized would be put into active circulation, and stabilization credits would be provided under appropriate conditions for the countries which require such assistance.

4. Finally, there must be greater freedom of international trade. It has already been pointed out that one of the most significant features of the present crisis is the fall which has taken place, not only in the value, but in the quantum of world trade. This fall has been partly caused, and has certainly been intensified, by the growing network of restrictions which have been imposed on trade during recent years. Every country seeks to defend its economy by imposing restrictions on imports, which in the end involve a contraction in its exports. All seek to sell but not to buy. Such a policy must inevitably lead to an increasing paralysis of international trade. Governments should set themselves to re-establish the normal interchange of commodities.

In the first instance, every effort should be made to secure a general agreement for the progressive relaxation, and the complete abrogation at the earliest possible date, of the emergency measures—prohibitions, quotas, &c.—imposed as a result of the crisis. At the same time, it will be necessary for the Governments to reconsider recent economic tendencies in so far as these are reflected in excessive tariffs, and to arrive at understandings for the moderation and stabilizing of tariff policies in the future. Action in this direction has an intimate bearing upon the stabilization of currencies, as it is impossible to maintain an international monetary system except on the basis of an international economic system. The great creditor nations have a special responsibility in this respect.

Such is the general outline of the problems before the Conference as we see them.

An annotated agenda containing detailed suggestions for their solution and indicating the technical difficulties involved will be found in Part II.

We should like to emphasize the fact that, in formulating this programme, we have been dominated by the desire to find effective and enduring remedies for the present depression and for the unemployment which weighs so heavily on the whole world. We believe that partial remedies in this field will not be successful. What

is needed is a comprehensive programme of world reconstruction, and this should be carried through as rapidly as possible, so as to strengthen the forces which are now working towards recovery. We have here presented such a programme. We would not give the impression that the adoption of this programme could deliver the world at a stroke from the difficulties under which it is now labouring. But, if the Governments are prepared to undertake it, and also to settle political questions which lie outside the scope of the Conference we believe that confidence and prosperity can be restored.

C. AGENDA

- I. Monetary and Credit Policy.
- II. Prices.
- III. Resumption of the Movement of Capital.
- IV. Restrictions on International Trade.
- V. Tariff and Treaty Policy.
- VI. Organization of Production and Trade.

PART II

ANNOTATIONS TO THE AGENDA

I. MONETARY AND CREDIT POLICY

The Lausanne Conference laid special emphasis on the necessity of restoring currencies to a healthy basis and, in this connexion, the restoration of a satisfactory international monetary standard is clearly of primary importance. The World Conference, in the absence of another international standard likely to be universally acceptable, will have to consider how the conditions for a successful restoration of a free gold standard could be fulfilled. In our view, among the essential conditions, which are discussed more fully below, are the restoration of equilibrium between prices and costs and, in the future, such a reasonable degree of stability of prices as the world measure of value should properly possess.

The time when it will be possible for a particular country to return to the gold standard and the exchange parity at which such a return can safely be made will necessarily depend on the conditions in that country as well as those abroad, and these questions can only be determined by the proper authorities in each country separately.

In the following sections, we set forth a series of suggestions of a general nature which would seem calculated to facilitate the work of the Conference on the monetary side. It will be found that some of

these suggestions can only be put into effect through concerted action, while others call for the individual effort of particular countries.

1. *Conditions under which a Restoration of a Free International Gold Standard would be possible.*

(a) We would lay stress upon what has already been indicated in the Introduction—that the solution of major outstanding political problems would contribute to that restoration of confidence without which great hesitation will be felt in taking decisions to return to the gold standard.

(b) In the second place, a series of measures would have to be taken in order to make it possible for countries whose reserves are at present inadequate to attain a satisfactory reserve position:

- (i) A settlement of inter-Governmental debts would be of particular value in this respect;
- (ii) A return to a reasonable degree of freedom in the movement of goods and services;
- (iii) A return to freedom in the foreign exchange markets and in the movement of capital.

(c) There should be a general understanding about measures to ensure a better working of the gold standard in the future. Success in obtaining an understanding of this character will not only be a factor of potent influence on public opinion in many countries, but will also give the assurance to an individual country that, as long as it pursues a sound monetary and economic policy, it will be in a position to acquire and maintain the necessary reserves.

(d) International action, however indispensable, cannot restore a normal economic situation unless the proper internal measures have been taken. Each individual country must, therefore, be prepared to take the necessary steps to achieve internal equilibrium in the following matters:

- (i) Revenue and expenditure, not only of the State budget proper, but also of the budgets of public enterprises (railways, &c.), and of local authorities, should be balanced;
- (ii) It will be necessary to create and maintain healthy conditions in the internal money and capital market, and at all costs to avoid an inflationary increase of the note circulation in order to meet Government deficits;
- (iii) It is necessary to give that sufficient degree of flexibility to the national economy without which an international monetary standard, however improved, cannot function properly.

We feel that, in practice, certain countries are in a key position in that the re-establishment of a free gold standard by them would influence action in a number of other countries.

We are well aware of the difficulty, for countries no longer on the gold standard, of returning to that standard at an appropriate rate of exchange, so long as uncertainty prevails with regard to the course of gold prices. The experience of the last decade has shown that the restoration of the gold standard at too low a rate of exchange, as well as at too high a rate, presents grave disadvantages, not only from the national, but also from the international, point of view. On the other hand, the very fact that exchanges continue to fluctuate is not without its effect on the level of gold prices and may hamper a monetary and economic policy designed to promote a recovery of prices in gold countries. In the face of this dilemma it would appear necessary to consider what policy may best be pursued in the immediate future in order to bring about such a general recovery as would facilitate the re-establishment of the international monetary standard.

2. Currency Policy to be followed prior to such a General Restoration of the Gold Standard.

It will be useful to consider what specific measures must be taken in different groups of countries. .

(a) Countries with a free gold standard and with abundant monetary reserves:

- (i) To pursue a liberal credit policy, characterized by low money rates in the short-term market and a reduction of long-term money rates by conversions and other operations as far as feasible ;
- (ii) As far as market conditions and Central Bank statutes permit, to maintain an open market policy designed to provide a plentiful supply of credit ;
- (iii) To allow gold to flow out freely ;
- (iv) To permit the greatest freedom possible to outward capital movements in order to facilitate sound foreign investments.

(b) Countries which have left the gold standard:

- (i) Efforts should be made to avoid a competition between States to acquire a temporary advantage in international trade by depreciating the external value of their currency below such a point as is required to re-establish internal equilibrium ;

- (ii) Under present conditions, exchange rates are liable to be constantly disturbed by speculative movements to the disadvantage of international trade. In a period prior to the adoption of a new parity, it is advisable for the authorities regulating the currencies concerned to smooth out, so far as their resources permit, day-to-day fluctuations in the exchanges due to speculative influences by buying and selling foreign currencies. The success of such measures would be enhanced by the co-operation of other markets.
- (c) *Countries which have introduced exchange restrictions, whether they have abandoned the gold standard or not:*
- (i) It is desirable that these restrictions should be totally abolished as early as possible. It is realized, however, that this ultimate aim cannot in all cases be immediately attained. In such circumstances, the restrictions applied to foreign trade should be relaxed or abolished in the first instance, even though it may be necessary to maintain them for a time with regard to capital movements. (This whole question is referred to more fully in Section III. 1.)
 - (ii) Such relaxation may, in certain cases where the external value of the currency has depreciated, necessitate the abandonment of existing parities. In a number of countries, exchange restrictions would seem to defeat their own end; for, whenever the official rate of exchange is maintained at a higher level than the economic rate, a form of import premium is given to all importers and a form of export duty imposed on all exporters. Experience seems to have proved that, when a careful policy of gradually relaxing restrictions is pursued, internal confidence in the currency can be maintained, although, of course, in such circumstances, the necessity of effecting budgetary equilibrium and of resisting inflationary tendencies will prove to be of paramount importance. In such cases, it would seem particularly valuable to maintain close relationship between these countries, the Financial Organization of the League and the Bank for International Settlements, in order to devise and apply the appropriate policy in each case.

In the case of certain countries which are heavily indebted abroad, more especially on short-term, a solution of the debt problem is necessary before their Governments will be in a position to modify existing monetary policy. We deal with this question later.

3. *Functioning of the Gold Standard*

It is important that any declarations in favour of the restoration of an international gold standard should, at the same time, indicate certain essential principles for its proper functioning under modern conditions.

It is not our intention to suggest that anything should be done which would in any way limit the freedom of action and reduce the responsibility of Central Banks in determining monetary policy. The following statement is in full agreement with the report of the Gold Delegation, which we endorse. This report has also been endorsed by the Board of the Bank for International Settlements. The Governments will no doubt find opportunity to consult their Central Banks on these questions before taking their final decision at the Conference.

(a) *Relation between Political Authorities and Central Banks.*

We would suggest that the Conference emphasize the importance of the monetary organization being so arranged as to make Central Banks independent of political influence. We feel it also important to suggest that Governments in their economic and financial policy should avoid increasing the difficulties of Central Banks in the discharge of their responsibility.

(b) *Monetary Reserves.*

The modern tendency is to concentrate gold in Central Banks. Before the war, more than 40 per cent. of the total monetary gold stocks consisted of gold in circulation or with private banks, while at the present time, only 9 per cent. represents gold not in the hands of Central Banks. This development is, in our opinion, to be welcomed, as it tends to enhance the power and the freedom of action of Central Banks. Gold reserves are now primarily required to meet external demands for payment caused by some disequilibrium on the foreign account. At the same time it must be recognized that present-day legislation in many countries renders much gold unavailable for international use. We believe that the following steps can be taken—without in any way diminishing public confidence—in order to permit more effective use of the reserves of Central Banks:

(i) *Lowering of Cover Ratios.*—Experience during the past few years has clearly shown that the cover provisions in the statutes of many Central Banks have not been sufficiently elastic to permit the utilization of reserves for meeting foreign payments to an extent which would be justified in cases of emergency.

The increased volume of short-term funds capable of moving rapidly from one country to another may represent an extra burden on the balance of payments.

Moreover, when the national economy has, for one reason or another, become less flexible, it may take longer to restore a lost equilibrium and during the intervening period a larger amount of gold may have to be exported.

We suggest that the Conference should stress the need of introducing greater elasticity in the primary cover regulations of Central Banks, particularly so as to make the reserves more fully available to meet fluctuations in the balance of payments.

A great advance would be made if legal minimum requirements of gold (or of gold and foreign exchange) were substantially lowered below the customary 33 or 40 ratio. The margin available for payments abroad—representing the difference between the actual holdings and the legal minimum—would then be considerably greater. However, the Conference should—it is suggested—emphasize strongly that a change in the minimum cover requirements must not be taken by countries with limited resources as an excuse for the building up of a larger superstructure of notes and credits, for then the free margin would be dissipated and the purpose of the reform—the strengthening of the position of the Central Bank concerned—would not be achieved.

(ii) *The Gold Exchange Standard.*—In addition to those countries which allow foreign exchange to be included in their legal reserve requirements, Central Banks in nearly all countries supplement their gold holdings with foreign short-term assets in order to be able to influence the exchange more directly and more speedily than by gold exports. In some cases, Central Banks also employ those assets to influence their internal money markets.

This system as practised in recent years, particularly when it has involved the maintenance of very considerable exchange holdings, has not worked without revealing some grave defects. The exceptional circumstances of these years undoubtedly contributed to an undue accumulation of foreign balances in particular markets. We think that these defects may be overcome, partly by the better working of the gold standard itself, and partly by special improvements which would provide for a system more centralized and subject to more effective control. We are of the opinion that this system of holding foreign exchange balances, if properly controlled, may for many countries hasten their return to an international standard and will form an essential feature in the permanent financial arrangements of

the countries which have no highly developed capital markets. It is very desirable that foreign exchange holdings in Central Banks should be invested with or through the Central Bank of the currency concerned or with the Bank for International Settlements. This is all the more important, because it is, in our opinion, imperative that Central Banks should have a complete knowledge of all the operations of other Central Banks on their markets. Moreover, it is important that each Central Bank which employs foreign exchange balances should take all necessary measures in order to secure itself against the risks of foreign investments.

(iii) *Other Methods of Economizing Gold.*—In countries where bank-notes of small denominations are in circulation, these small notes may be withdrawn and replaced within proper limits by subsidiary coin, which will to some extent reduce the strain on gold reserves through the decrease in note circulation.

It should further be possible to improve the mechanism of clearing in individual countries. Payments of taxes and salaries, large retail transactions, the transference of money from place to place, may increasingly be effected by means of cheques, post-office payments, or other transfers, and much could be done by Governments and municipal authorities, even without legislation, to set an example by accepting cheques in payments for taxes, public utility services, &c.

(iv) *Distribution of Monetary Reserves.*—The present abnormal gold situation, with nearly 80 per cent. of the world's monetary gold concentrated in five countries, cannot be explained by any single factor, but should be regarded as a sign of certain profound disequilibria which have influenced the numerous elements in the balance of payments. When considering remedies, the multiplicity of the causes must be taken into account. To obtain a more lasting improvement of present abnormal conditions it will be necessary to allow a freer movement of goods and to rely less upon gold shipments for the settlement of foreign liabilities.

In previous sections of this document, we have suggested that the minimum cover requirements of Central Banks should be lowered and have also expressed the opinion that some countries should allow holdings of foreign exchange to be included in the legal reserves. The difficulties connected with the uneven distribution of gold in the world will to some extent be mitigated by these measures; but they are, of course, not in themselves sufficient.

When countries with deficient reserves return to the gold standard, the new parities should be such as to be consistent with a favourable

balance of payments and so attract an adequate reserve without undue effort.

In some cases an automatic adjustment of the situation will take place by a return movement of previously expatriated capital, which has been invested in countries with large monetary reserves. It is important that public opinion in the latter countries should realize that an outflow of gold under such circumstances does not in itself reveal a disequilibrium in the balance of payments, but is rather a sign of a general revival of confidence. To prevent an outflow by credit restriction might not only retard the redistribution of gold, but might also have a deflationary tendency.

The question arises whether it would not be possible to anticipate, by international credit operations, the process of building up adequate reserves in countries where these reserves are now deficient. Such operations might relieve the foreign exchange markets of the prolonged strain which would be inflicted on them by a continuous demand for gold by Central Banks desirous of strengthening their reserves (see below under III, 3).

(c) Co-operation of Central Banks in Credit Policy.

The Conference will no doubt wish to emphasize the great importance to be attached to the maintenance of close relationship between Central Banks which will permit them to take account of both national and international considerations when framing their policy. While the responsibility of each one of them for the measures taken on their own markets must be left unimpaired, continuous consultations between them should help to co-ordinate the policy pursued in the various centres and may indeed enable the intervention of an individual Bank to become more effective if supported from abroad.

The Bank for International Settlements represents a new agency for Central Banks and should be able to play an increasingly important part, not only by improving contact, but also as an instrument for common action, of which several indications can be found in this document.

In this connexion we draw attention to point 5 of the resolution which the Board of the Bank for International Settlements, at its meeting on July 11, 1932, unanimously adopted. The Board declared itself in substantial agreement with the conclusions of the final report of the Gold Delegation of the League of Nations of June 1932. These conclusions were considered by the Board as forming a starting-point for the elaboration of monetary principles which may be given practical application in future.

We attach great importance to this declaration and to the pursuance of consultations among Central Banks, particularly with a view to achieving the object, as stated in the report of the Gold Delegation, of checking undue fluctuations in the purchasing power of gold. We are convinced, as were the Gold Delegation, that action must be based on international understanding and co-operation. The prospects of the general restoration of the gold standard and of its successful working in the future appear to depend in large measure on progress in this field.

4. *Silver*

After keeping relatively stable from 1921 to 1929, the price of silver in gold currencies fell abruptly by more than one-half in less than three years. There is no doubt that this sudden decline must, in the main, be attributed to the same causes as have acted on the general level of prices and may thus be said to illustrate in a particular case the incidence of the world depression. Some special factors can, however, be found which have accentuated the downward trend, and these were to some extent already operating before the depression set in. Such factors are: the demonetization of silver, the reduction of the silver content of token coins, and also the disposal of surplus stocks.

We have considered a series of proposals which have been discussed in recent years with a view to raising the price of silver, and we wish, in this connexion, to make the following observations:

(i) It has been suggested that some form of bimetallism should be introduced.

We would point out that a bimetallic standard, which presupposes a fixed relation between the value of gold and that of silver, could be safely introduced only if the most important countries of the world agreed to such a measure. As the only international monetary standard which is at present likely to command universal acceptance is the gold standard, the idea of introducing bimetallism must be regarded as impracticable.

(ii) It has been proposed that Banks of Issue should be allowed to hold increased quantities of silver in their legal reserves.

On the assumption that no form of bimetallism will prove acceptable, silver is unsuitable for extensive inclusion in the metallic reserves of a Central Bank, there being no fixed price at which it would be received by other Central Banks in the settlement of balances on the international account.

(iii) It has also been suggested that Governmental action should be taken for the purpose of improving the price of silver.

We would, in this connexion, refer to the suggestion made in a previous part of this report to the effect that, in countries where bank-notes of small denominations are in circulation, these small notes might be withdrawn and replaced within proper limits by subsidiary coins, and we think that the Conference should, in this connexion, examine to what extent the use of silver in subsidiary coinage could be enlarged. Whatever sales of Government stocks of silver may be deemed desirable, it is important to conduct these in such a manner as to avoid any unnecessary disturbance of the market.

The Conference should also consider whether, and if so by what methods, the marketing of the metal by producers and currency authorities is susceptible of improvement. The question of developing new and enlarged industrial uses for silver is in our judgement also worthy of careful consideration.

From the point of view of commercial relations with silver-using countries, particularly China, trade interests would best be served, not by a rise in the price of silver as such, but by a rise in the general level of commodity prices. Any action which would tend to raise that level and in due course achieve its stabilization may be expected to have a favourable effect on the price of silver and would, on general grounds, be welcome.

II. PRICES

1. *Disequilibrium between Prices and Costs*

The decline in prices of recent years has created a series of difficulties which must, by one method or another, be overcome in order to make progress in the monetary and economic field possible.

In the first place, the burden of debts has increased considerably in terms of real wealth and made it more and more difficult for debtors to discharge their obligations and avoid a breach of contract. With regard to international debts, a special transfer problem arises, with possible dangerous repercussions on the whole monetary structure.

Secondly, as a rule, costs fall more slowly than prices, which tends to make enterprises unremunerative, with a consequent disorganization and reduction of production as evidenced by an increase of unemployment. Even if unemployment benefits are granted, the reduction in earnings will, in its turn, diminish the purchasing power

in the hands of the public. Moreover, a restriction of sales will make further sound extension—or even the upkeep—of industrial plant seem unnecessary and arrest activity with regard to new investments, causing, not only particularly serious unemployment for workers engaged in producing capital goods, but also a tendency for savings to remain idle.

Thirdly, the decline in prices has not proceeded at the same pace for all classes of commodities. Manufactured articles tend, for many reasons, to fall more slowly in price than natural products, and it is a well-known fact that retail prices are more resistant than wholesale. A special feature of the present depression is the tendency revealed in a number of countries for prices of certain classes of goods required for capital equipment to resist a fall, such as would have facilitated readjustments. This tendency has retarded recovery and has rendered new capital enterprise unattractive, however low short- and long-term rates of interest may be. In some cases, the cause of this relative rigidity in the prices of investment goods would seem to be that they have, on the whole, been more controlled by cartels and other monopolistic combines than other goods.

The decline in production, superimposed on the decline in prices, has reduced the national money incomes of some of the largest countries in the world to less than 60 per cent. of what they were three years ago. In countries which depend for their export on primary products, the gold prices of these products have in many cases fallen to a third, a quarter, or even less, of the former price. Depreciation of their currencies may to some extent have alleviated their internal difficulties, but the precipitous decline in world prices has had its disastrous effects on the foreign position of these countries, particularly by so substantially increasing the burden of their external liabilities.

Furthermore, difficult budgetary problems of great concern to Governments have arisen—in particular, as grants for unemployment benefit and other social purposes are added to the expenditure. When the revenue of States and local authorities must be raised from a shrinking national income, rates of taxation will, after a certain point, become so high that they cannot but exert a serious depressing influence on trade and industry.

2. Methods of Restoring Equilibrium

(a) Obviously, one method of restoring a lost equilibrium between costs and prices is to reduce costs. As a rule, this will not be possible without reducing money rates of wages. Some considerable reductions

of this kind have recently been effected, in certain countries to the extent of something like 20 to 25 per cent. It is found, however, that possibilities for effecting such reductions differ from one country to another, and that each further substantial reduction meets with increased resistance.

It is an open question, difficult to answer *a priori*, to what extent these reductions will correct former maladjustments between different categories of wages and prices (particularly in different stages of the process of production) and in that way bring about a better relative position. The burden of debts will, however, if left undiminished, create many difficult problems.

(b) Equilibrium may also be restored by a rise in prices.

(i) One method of raising prices is to limit supply. Reference is made to this subject in Section VI of these Annotations.

(ii) In countries with a free gold standard and with large monetary reserves, it would seem possible (as indicated in Section I, 2 (a)) to pursue a liberal credit policy, including low short-term interest rates and in some cases also open market operations. Moreover, there should be, as far as feasible, a reduction of long-term interest rates by means of conversions and other operations. It is pertinent to observe that the open market operations which were undertaken by the Federal Reserve Banks of the United States of America in the spring of 1932, in conjunction with the measures taken through the Reconstruction Finance Corporation, arrested the contraction of credits and the hoarding of currency; they also created excess reserves for private banks to an amount of more than \$500 million, which helped to restore confidence in the banking structure.

Some Central Banks, by means of the leadership they exercise on their markets, have been able to induce savings banks and similar institutions to adjust deposit rates and at the same time bring down rates for mortgage loans and other long-term obligations.

(iii) In order that a liberal credit policy may have the desired effect on prices, it is necessary that a demand for credit should arise.

In the first place, there is some reason to expect a spontaneous demand for goods. For example, during the depression, many industrial firms not only abstained from enlarging their plant but also postponed repairs. But this delay cannot go on indefinitely, and it is probable that, in this field, a considerable potential demand has accumulated. Many firms have in past years made financial provisions for this purpose on their depreciation account. Even consumers may be in a somewhat similar position as regards more durable articles, such as clothes, furniture, motor-cars, &c.

The suggestion is often made that Governments and other authorities should actively increase the purchasing power in the hands of the public by extensive schemes for public expenditure, financed by borrowings from the market. If such a policy were not kept within reasonable limits, and if it were to result in deteriorating Government credit, debt conversions might be interfered with and the lowering of long-term interest rates delayed.

It is very much as an outcome of increasing confidence in the general financial and economic structure that we expect an increase in effective demand. If it is found that political and monetary authorities are endeavouring to carry out a policy which holds out some hope of ultimate improvement, we believe that the public will soon respond by resuming normal economic developments. We venture to suggest that a general adoption of the policy outlined in this report—aiming at the restoration of currencies on a healthy basis, financial reconstruction, a greater freedom in the movement of goods and some immediate measures to give evidence of its practical application—would be a decisive step towards this revival of confidence.

(iv) Finally, a few words suffice to point out that a recovery of sound international lending, which would put purchasing power into the hands of countries with a limited supply of domestic capital, would have a helpful effect on prices.

III. RESUMPTION OF THE MOVEMENT OF CAPITAL

A return to a normal situation will be dependent, *inter alia*, on a resumption of international capital movements. It is essential that the obstacles which at the present moment prevent such a resumption be cleared away so that, when confidence returns, capital can move freely. Apart from the instability of exchanges, which we have dealt with above, some of the major obstacles to capital movements are the control of foreign exchanges and, in certain cases, the existing burden of debts.

1. *Abolition of Foreign Exchange Restrictions*

The adverse balance of accounts in many countries, aggravated by the drop in prices and the falling-off in foreign trade, has obliged those countries, when they could no longer re-establish equilibrium by means of foreign credits, to choose between abandoning the stability of their currency or instituting exchange restrictions as an artificial means of balancing imports and exports of foreign currency.

Certain countries have even adopted both systems simultaneously. The majority of the countries which have recently suffered the disastrous consequences of unrestricted inflation have opted for exchange restrictions and have thus maintained the nominal parity of their currency. Such control has enabled them more or less successfully to prevent or limit exports of national capital and the withdrawal of foreign credits, but this result has been obtained only by closing the door to new investments. Further, foreign exchange restrictions have frequently been adopted in order to improve the balance of payments by refusing to pay in foreign currency for those imports which do not appear indispensable. But, in the long run, this reduction has not had the expected effect of improving the trade balance, since the exports from each country encounter similar monetary restrictions abroad or administrative barriers hastily erected as a measure of defence.

Thus exchange restrictions, and clearing agreements which often follow, constitute an almost insurmountable obstacle to the circulation of capital, and represent one of the main causes of the falling-off in international trade. A return to normal conditions presupposes their disappearance, which is itself conditional, in each of the countries concerned, on the permanent restoration of equilibrium in the balance of payments.

In order to provide for the restoration of equilibrium in the balance of payments and to ensure permanence by strengthening the metal reserve of certain banks of issue, various measures are essential which have been mentioned above. It may be useful to stress the fact that it is not necessary in all cases to wait for the Governments to meet before taking these measures. On the contrary, it is essential that, in every country, efforts should be made without delay with a view to the restoration of a normal situation.

2. Existing Indebtedness

It may happen that, when all the above-mentioned measures have been taken, permanent equilibrium in the balance of payments cannot be restored owing to the threat of mass withdrawals of short-term deposits, or owing to the heavy charge resulting from the service of long-term debts. In that event, arrangements relating to foreign debts will have to be made between the parties concerned.

We desire at this point to stress the fact that it is essential that the policy followed by the creditor countries should finally place the debtor countries in a position to pay off their obligations in the form of goods and services.

We also venture to state that the restoration of a normal situation must be accompanied by a return of confidence, and that, in this connexion, respect for undertakings entered into is an essential factor. Only when, as a result of unforeseen circumstances, it has become impossible for contracts to be carried out in their entirety, can an adjustment of obligations to the possibilities of the situation be effected between the parties concerned in the interests of creditors and debtors alike.

(i) *Short-term Debts*.—The present regulation of the short-term debts of various countries by means of standstill agreements, exchange restrictions, and transfer moratoria is in its very nature only a temporary measure. If applied for any length of time, such measures tend to prolong the crisis and to increase its intensity by delaying the moment when the situation will appear in its true light. That is why the existing system, which presents the danger of placing good and bad debtors on a footing of equality and thus tends to destroy the credit of the good debtors, should be brought to an end as soon as possible and be replaced by a definitive solution which would take into account the circumstances of each individual case. It is essential that this readjustment should have the effect of liberating real commercial acceptances as soon as possible from any form of regulation. Trade could thus revive by utilizing its normal channels. The banks of issue in every country should support such a measure of restoration by every means in their power.

The settlement of this question is essentially the concern of the creditors and the debtors themselves. It is, nevertheless, important for Governments that a solution should be found for this problem, which undoubtedly affects both the monetary and the commercial policy of the country. The object of the suppression of exchange restrictions can be achieved only when the dangers to currency arising from the problem of transfers are banished and confidence is restored.

(ii) *Long-term Debts*.—In the case of those long-term debts, the burden of which has been so aggravated by the present level of prices as to be incompatible with the equilibrium of the balance of payments, agreements should be concluded between debtors and the bondholders. Nevertheless, it is essential for this problem, as for the problem of short-term debts, that a satisfactory solution should be reached if the equilibrium of the balance of payments is to be secured and normal conditions restored.

Such a solution must be sought between the interested parties working together. In certain cases, bondholders have already formed

associations; in others, it might be useful for such groups to be formed. Moreover, the associations of different countries should keep in touch with each other. The issue houses should be in a position to lend their good offices in this connexion to the bondholders.

In order to facilitate, where necessary, direct agreements between debtors and creditors, a list of persons of recognized standing and competence might be drawn up whose mediation would be open to the parties concerned.

We should like to point out that, in this sphere also, there is no uniform solution for all cases.

3. *Capital Movements*

The resumption of the movement of capital throughout the world—in other words, the re-establishment of international financing—should be effected through the normal credit channels. The creation of a special credit institution may be expected to promote this resumption. There is no doubt that, as soon as the world situation again becomes normal, credit will begin to operate as in the past. It will be asked for, granted or refused by the usual means. It should be noted that available credit has not disappeared. On the contrary, there is an abundant supply, but, for the reasons mentioned above, it is not being used. In view of past experience it would, however, be desirable to encourage the exchange of information as to the volume and movement of short-term credits.

At the same time, the resumption of lending may prove to be slow if no organized international action is taken to stimulate it. A number of projects have been discussed on various occasions.

Among the suggestions brought to the Committee's notice is the establishment of a Monetary Normalization Fund, which was contemplated at the Stresa Conference.

It might, in fact, happen that, after all the foregoing recommendations had been applied, the responsible public authorities might still be reluctant to re-establish the freedom of exchange transactions, in which case even a moderate amount of assistance from outside might help to restore their confidence and that of the public as well.

In view of the fact that the object of the establishment of such a fund is to facilitate monetary normalization, the Bank for International Settlements would appear to be the most appropriate body to administer this fund, since it is desirable to avoid any political influence in its administration.

This idea of special assistance proving necessary to restart the financial machine, which has been at a standstill for so long, has been

further developed in the course of our deliberations. The suggestion has been made that help might be given by means of the establishment of an International Credit Institute, which would derive its funds either from the Banks of Issue or from private sources, the support of the Governments being provided in both cases, as would also be necessary in the case of the Monetary Normalization Fund.

Obviously, an institution of this kind—the object of which would be to set in motion capital which is at present lying idle—should grant new credits only under sound conditions and subject to strict supervision with a view to preventing any inflation. It should not refund the old credits ('frozen' credits) referred to above. It is also obvious that this institute should be free from any political influence, and it might be affiliated to or administered by the Bank for International Settlements. If this idea meets with the approval of the Governments, we suggest that the question should be gone into more fully.

As another method of encouraging capital movements, a programme of public works on an international scale has been submitted to the Commission. We feel that it is not probable that public works can be internationally financed in the immediate future to any considerable extent. The last year has brought out to an unprecedented degree the dangers of over-borrowing and the exchange difficulties which may arise in connexion with effecting the service of foreign loans. Quite apart from this, Governments are now receiving so many demands which they have to refuse, and, moreover, have to retrench in so many directions, that they must consider carefully before embarking upon new budgetary commitments of this nature.

We recognize, however, that, should any Government in a lending country desire to promote the chances of obtaining capital for this purpose by giving some form of guarantee, it is obvious that the commencement of the works that have been proposed would be expedited thereby, at a moment when even the best projects find it difficult to receive the requisite funds. It goes without saying, especially in existing conditions, that sound financial principles demand that only such public works should be financed as afford adequate assurance of being productive of the domestic and foreign currency necessary for the service of the capital charges.

IV. RESTRICTIONS ON INTERNATIONAL TRADE

Restrictions on international trade, whether they take the form of prohibitions or of quotas or licences, have in recent years become exceptionally widespread and are so numerous that they now con-

stitute an almost insurmountable barrier to international exchanges. They have brought about an unprecedented reduction in international trade and threaten it with complete paralysis.

By their severe and often arbitrary character, by the rigid control which they exercise over commercial transactions, and by the uncertainty and instability which they introduce into international economic relations, these restrictive measures often assume the aspect of actual weapons of economic warfare, although they are usually represented as instruments for defending and protecting internal markets.

The extension of this system of restrictions tends to nullify the advantages resulting from commercial treaties by making their provisions ineffective as regards commodities to which the restrictions are applied.

The abolition of these measures, which have grown up around and in addition to Customs tariffs, constitutes the most urgent problem from the point of view of bringing world economy back to a more normal condition or, at any rate, of reverting to the situation which obtained a few years ago when commercial transactions were influenced, practically speaking, only by Customs duties.

1. *Economic Causes and Effects*

The gravity of the circumstances and exceptional exigencies which have led to the development of these restrictive measures has to be recognized. Without going into the conditions peculiar to each country and to the various products—which would carry us too far—we may nevertheless summarize as follows the causes which have led to the adoption of these measures.

In the first place, a number of States have been led to adopt them by financial and monetary considerations. They regarded these restrictions as a means immediately available for preventing their currency from depreciating owing to the effects of the depression on their balances of payments. This was so, in particular, in the case of heavily indebted States. The virtual stoppage of the international movement of capital and the considerable reduction in invisible exports forced those countries to restrict their imports as an artificial means of improving their balance of trade, even at the cost of a marked slowing down of their economic activities.

Moreover, the fall in the prices of certain essential agricultural products (cereals, live stock, &c.), has borne most heavily on countries which can pay for their imports and fulfil their foreign financial

obligations only by the export of such products ; but it has also had repercussions on the policy of countries which, while not exporters, are none the less producers of these commodities.

The former countries, seeing their external trade balance rapidly declining, have resorted to restrictions affecting more especially their imports of manufactured products, with the object of improving their balances of payments. The latter countries, in order to prevent home prices from being involved in the fall of world prices, have resorted, in their turn, to restrictive measures prohibiting or rationing the importation of agricultural products.

Certain restrictions have also been imposed, especially on raw materials, either in the absence of agreements between producers, or to promote the conclusion of such agreements, or to render their operation possible.

Similar restrictions have been applied to manufactured goods. One of the principal general causes, however, is the constantly increasing tendency to restrict foreign markets, and the influx into countries with relatively high prices and a stable currency of manufactured goods originating in countries with a depreciated currency, or in countries which apply measures to stimulate their exports.

The obstacles placed in the way of imports in various countries have had the inevitable result of diverting goods from their customary markets to those countries which still remained open to them, with adverse effects upon the latter.

Various countries, although resolutely opposed in principle to the policy of restrictions, have been compelled to retaliate against measures directed against their own exports by adopting similar measures themselves, particularly when they have seen the system of prohibitions, once it has been established, employed as a means of bargaining for the reduction of tariffs.

The foregoing summary is not intended in any way to justify the restrictions ; none the less, it seems desirable to indicate the causes which have led to their adoption, since the most effective way of endeavouring to bring about the removal of these grave obstacles to trade will be to attack their causes.

It should be remarked that the restrictions have only been temporarily effective ; subsequently they have had harmful consequences, since the restriction of imports has resulted in decreases, sometimes much greater, in exports. Thus, these measures, which were adopted by the various countries in order to reduce the effects of the crisis, have, on the contrary, made the position worse, and contributed

dangerously to prolong existing difficulties. It is true that a better equilibrium of prices might facilitate the abolition of restrictions, but at the same time it must be recognized that these restrictions in themselves considerably reduce the effect of the economic forces which might bring about an increase in prices and their stabilization.

2. *Exchange Restrictions, Clearing Agreements, &c.*

During the last few years, the situation has been aggravated by the existence, side by side with the system of trade restrictions, of various measures of foreign exchange control.

These measures fall essentially within the monetary and financial sphere.¹ But in practically all cases they constitute one of the most serious impediments to the exchange of goods, by restricting international payments.

Exchange restrictions have also led to the adoption of a large number of clearing, compensation, and barter agreements, and the like. The object of such agreements originally was to enable trade to continue in spite of the restrictions in force; but they have since been given a wider application. Sometimes they operate so as to divert trade into artificial channels, to give artificial advantages to producers in the countries employing them, and to involve discrimination in the discharge of accumulated and current debts as between the creditors of different nationalities.

These clearing and compensation agreements have a particularly disruptive influence owing to their tendency to give a purely bilateral character to international commercial and financial relations, and they should be promptly abandoned if normal conditions are to be restored.

3. *Indirect Protectionism*

In addition to the restrictions on international trade mentioned above, there are certain provisions which, while they have other objects in view, may constitute impediments to imports. Measures relating to the obligation to affix marks of origin to imported goods, restrictions in the veterinary and phytopathological sphere and other similar measures coming within the category of indirect protectionism sometimes have this character.

The Conference should make arrangements for dealing with these various questions in such a way as to secure equitable solutions as speedily as possible.

¹ See Section III, 1: *Abolition of Foreign Exchange Restrictions.*

4. *Possibility of Abolition of Restrictions*

International trade will not fully revive until these new impediments have been removed and it can again flow in its natural channels.

We do not underestimate the difficulties in the way of the rapid and total abolition of restrictions.

We are aware that—although in a different economic situation—attempts have been made for several years past, particularly under the auspices of the League of Nations, to abolish import and export prohibitions and restrictions by means of multilateral conventions.

A Convention was signed on November 8, 1927, after lengthy and careful preparations. The Convention, while allowing temporary exceptions, was designed to bring about this general abolition. But it has remained ineffective, owing partly to these exceptions and partly to special circumstances which resulted from the relations between certain countries whose accession was necessary. Moreover, the 'catastrophe' clause (relating to the safeguarding of vital interests), which is included in this Convention and in several commercial treaties, has often been interpreted in such a way as to permit of any kind of restriction. Consequently, if it cannot be eliminated, it should be confined to well-defined and strictly limited cases.

The recollection of the difficulties previously encountered is not perhaps very encouraging, especially at the present time when the situation has become much graver and more complex. But a few observations may be made on this subject:

(a) In the first place, it is precisely because the position is becoming intolerable that an effort to remedy it appears to be really necessary and urgent. At the present time, the restrictions affect almost the whole of international trade and are profoundly disturbing the reduced flow of trade which still continues. •

(b) Secondly, it should be noted that the 1927 Convention dealt with the problem of restrictions and prohibitions as an isolated problem, and did not concern itself with measures to modify the economic circumstances which were the direct or indirect causes.

On the other hand, if systematic action comprising economic as well as financial and monetary measures (including the settlement of inter-Governmental and other external debts, improvement of the financial situation of the various countries, monetary stabilization, a better equilibrium of prices, &c.) could be undertaken, a return to a normal state of affairs and the disappearance of the various forms of restrictions to international trade could be looked for. Such

action does not preclude the possibility of recourse to traditional measures, such as the enlargement of quotas, whether unilaterally or bilaterally, so as to bring them closer to the normal level of trade exchanges, as well as tariff adjustments and agreements for the organization of production, if this appears necessary in certain cases with a view to the gradual elimination of all commercial restrictions.

We are, therefore, unanimous in affirming the necessity that action for the removal of the restrictions on international trade (prohibitions, quotas, exchange restrictions, &c.) should be taken as soon as possible and continued on progressively wider lines as the other causes of the present economic disorganization are mitigated or removed.

The fact must not be overlooked that the abolition of restrictions will, in its turn, exercise a very considerable influence on the situation and will effectively help to remove the other difficulties. If they can increase their exports, many countries will be enabled to purchase larger quantities of foreign products. The opening up of larger markets, apart from whatever action may be required in the financial sphere, will greatly ease the difficulties encountered by the debtor countries as regards their balance of payments.

V. TARIFF AND TREATY POLICY

The tariff policy which has been followed by many countries in the past has been greatly aggravated in recent years. This tendency has contributed largely to the disorganization of world conditions. In respect of tariff policy and treaty policy, as in the case of import restrictions, the Conference must seek to modify existing practices and to secure the adoption of more liberal methods.

Positive action in this direction is assured of important support. Countries compelled to dispose of a large proportion of their products, whether agricultural or industrial, on the world markets are most deeply interested in checking the increase of tariff barriers and in securing their reduction. An improvement in the world economic situation would be facilitated if the debtor countries were enabled to pay their debts by the export of goods and services, and if the creditor countries framed their economic policy in such a way as to maintain the capacity of debtor countries to pay by these means. These creditor countries can expect to collect interest and principal only if they so adjust their financial and commercial policies as to make payment by the debtors possible.

Doubtless there will be reluctance on the part of some countries to lower existing Customs barriers owing to the uncertainty of present industrial conditions, the difficulty of making foreign payments, and the possibility of such excessive importations as to imperil the existing internal order. Any lowering of tariffs must doubtless be effected in successive stages, and should, so far as possible, be simultaneous: no country can afford to adopt or maintain a really liberal tariff policy if other countries persist in the opposite policy. But a general lowering of the existing barriers to trade by all countries is unmistakably desirable if conditions of world prosperity are to be restored.

Tariff policy can obviously not be dealt with in isolation. An effective and lasting return to greater freedom of trade cannot be looked for unless it is accompanied by a general and durable improvement in financial and monetary conditions, any more than a permanent improvement of the financial and monetary situation can be looked for so long as international trade is not freed from its chief obstacles.

A. Tariff Policy

The object of the Conference, as far as tariff policy is concerned, must therefore be to reach a general agreement for the reduction of tariffs and to maintain more moderate tariff policy in the future.

1. Cessation of Tariff Increases

As a first effort in this direction, we suggest that a 'Customs truce' might be concluded as a preliminary measure, pending the signature of agreements for the reduction of tariffs and other obstacles to trade. Such a truce, if it could be secured and made generally effective, might have considerable value; but, in order to succeed, the proposal must be presented under conditions favourable for immediate action.

Two methods have been put forward for checking the increase in Customs tariffs:

(a) A Customs truce, strictly so called, as proposed in 1929 by the Economic Committee of the League of Nations (document C.531.M.185.1929.II) and as embodied also in Article 1 of the International Convention for the Lowering of Economic Barriers, dated June 18, 1932, concluded between Belgium, Luxemburg, and the Netherlands. By this Convention, known as the Convention of Ouchy, the three countries mentioned undertake, as from the date of the signature of the Convention, not to increase Customs tariffs

and not to introduce new protective duties either between themselves or against other countries with whom they have commercial treaties.

(b) A more elastic system is that on which the Geneva Commercial Agreement of March 24, 1930 (document C.203.M.96.1930.II), and the Oslo Agreement, concluded between Belgium, the Netherlands, and the Scandinavian countries, are based. With certain exceptions, these two agreements do not prohibit tariff increases, but merely give each of the contracting parties the right to denounce the agreement, if, in spite of its representations, another contracting party introduces tariff increases which are prejudicial to the former.

It is obvious that, if the truce could be concluded with sufficient rapidity in its absolute form, it would be the most effective means of preventing future increases in tariffs. But it must be pointed out that any truce would be more harmful than useful if it resulted in a stabilization of duties at the present level or in crystallizing existing situations, however anomalous, and if it was not followed by a reduction of excessive tariffs.

In any case, the proposed agreement regarding the cessation of Customs tariff increases would certainly be ineffective if it were confined to the domain of Customs policy proper and if the aggravation of other obstacles to international trade were not stopped, with a view to their being ultimately abolished; at the same time, an undertaking not to create fresh obstacles would be necessary.

2. Reduction of Tariffs

To bring about a general reduction of tariffs, two ways are open, the advantages and drawbacks of which have been exhaustively studied by the Economic Committee of the League of Nations—the system of reduction by percentages, and the system of reduction to a uniform level.

We are of opinion that the Conference should consider combining these two methods; but it must be clearly realized that an attempt to secure a general reduction of tariffs by a uniform mechanical formula may present considerable difficulties. The Ouchy Agreement, however, forms a precedent in this connexion, in the sense that it provides for a system of percentage reduction, it being understood that the reduction is only obligatory down to a certain level. It should be observed that this method, while it represents an effort to reduce the level of tariffs, does not eliminate the existing differences between the tariff-levels of the different countries.

3. *Special Aspects of the Tariff Problem*

(a) *Agricultural Production.*

In studying means for preventing the increase, or for effecting a reduction of tariffs in the future, it may be necessary to give special consideration to the question of agricultural products. Some members emphasized that this question affects the economic and social situation of certain countries and raises difficulties of a complicated character. Others maintained that the extreme agrarian protection practised by certain important consuming countries has been an important factor in depressing the world prices of staple agricultural products, thus causing serious reductions of the purchasing power of the producing countries, both in Europe and overseas, and gravely reducing their capacity to absorb the products of the industrial countries.

(b) *Specific Duties.*

It will also be desirable to consider whether and within what limits it will be possible to revise specific duties fixed when prices were appreciably higher, so as to take account of the fall which has taken place in commodity prices, whether on the national or the world market.

(c) *Exceptions.*

It will also be desirable, in connexion with any multilateral agreement for the reduction or stabilization of tariffs, to consider whether certain exceptions should be granted—as, for example, in the case of fiscal (revenue) duties.

(d) *Supplementary Duties and Charges.*

Attention has been drawn to the fact that, in certain cases, surtaxes or charges of an administrative, statistical, or other nature are levied on imported goods, and that sometimes such duties amount to an appreciable increase of the Customs duties. It has been suggested that such duties should be taken into account in any measures intended to effect a reduction or stabilization of Customs duties.

(e) *Unified Customs Nomenclature.*

No doubt if it were found possible to put a uniform Customs nomenclature (a draft of which has already been prepared by the Sub-Committee of Experts under the auspices of the Economic Committee of the League and is being submitted to the Governments) rapidly into force, this would lessen some of the material difficulties

of international action in the matter of tariffs, and the Conference might accordingly draw the attention of States to the work proceeding in this field, expressing the hope that they will give it their favourable attention, following as far as possible the procedure laid down by the Council of the League. Evidently, however, tariff reductions should not be postponed pending the adoption of a uniform nomenclature, which at best will probably be a lengthy process.

4. *Method of Procedure*

Reduction of tariffs may be effected:

- (a) By a general agreement of the Conference;
- (b) By a collective agreement of a group of Governments;
- (c) By bilateral negotiations;
- (d) By autonomous action on the part of Governments individually.

The objects which States should have in view are, as has been indicated, the reduction of their Customs tariffs and the adoption of a more moderate policy. These objects can, of course, be attained, up to a point, independently or by bilateral negotiations; but, without disparaging the value of action on these lines, no serious progress along this road can be anticipated under present conditions, unless the different countries have the assurance that they are proceeding *pari passu* with the majority at least of the other countries of substantial economic importance. To give them this assurance, one or more international agreements would seem necessary.

The object at which the International Conference should aim is obviously the conclusion of an agreement on as wide and comprehensive a scale as possible. The ideal would be an agreement to which all the States would be parties.

If, however, a universal agreement is impracticable, there remains the possibility of collective agreements concluded between particular States, open to the adhesion of all the others. Such agreements might either determine the reduction of duties on defined lines, or lay down in a general manner the principles to be followed in reducing duties, leaving the application of these principles to bilateral negotiations.

The conclusion of collective agreements raises the question of the rights of third parties; this question is discussed in the next section.

We agree in pointing out that the question of procedure is not of capital importance. The important point is for all countries to unite their efforts with a view to reducing tariff barriers and other obstacles to trade on as wide a basis as possible.

B. Most-Favoured-Nation Clause

We consider that, in normal conditions, the unconditional and unrestricted most-favoured-nation clause should form the basis of commercial relations between nations. Accordingly we recommend that the Conference should reach an agreement at any rate as to the scope of the most-favoured-nation clause, if not as to its precise form. In this connexion, reference should be made to the reports drawn up in 1929 and 1931 by the Economic Committee regarding this clause.

It will be desirable at the same time to reach an agreement in regard to the more important questions connected with the application of this clause, such as Customs quotas, the excessive specialization of tariffs, dumping and anti-dumping measures, the nationality of goods, 'like' products, and, until such time as all restrictions on currency are abolished, exchange restrictions and compensation and clearing agreements.

It will also be desirable in this connexion to reach an agreement regarding the exceptions to the clause which may be deemed necessary. A distinction must be drawn between permanent and temporary exceptions.

(a) Permanent Exceptions.

Certain permanent exceptions to the clause are already usual in treaties of commerce (frontier traffic, Customs unions, &c.). Careful attention should, however, be paid to the question whether other permanent exceptions should be admitted, particularly as regards rights derived from collective agreements.

A suggestion which has been strongly pressed in various quarters is that States should admit an exception to the most-favoured-nation clause whereby advantages derived from plurilateral agreements should be limited to the contracting States and to such States as may voluntarily grant equivalent advantages. This proposal (which has already been adopted in certain bilateral treaties) should certainly be most carefully studied. It has been argued, in support of this proposal, that, in the absence of an exception of this kind, the conclusion of collective conventions would encounter insuperable difficulties, since the application of the clause would, in such circumstances, place a premium on abstention. On the other hand, it has to be borne in mind that the circumstances of various countries differ considerably, so that in many cases they could not adhere to a plurilateral agreement when they are unaware of the concrete

cases to which its provisions might later be applied and of the possible consequences which its application might involve for themselves. Moreover, there would be a danger of provoking the formation of mutually opposed groups of countries, thus aggravating the very evils which it is sought to mitigate. Finally, it has been emphasized that care must be taken to avoid prejudicing the rights of third parties.

In any case, these exceptions must be subject to the conditions that agreements of this kind be open to the adhesion of all interested States and that their aim should be in harmony with the general interest. Amongst the conditions that might be considered for this purpose, mention may be made of a proviso that these agreements shall have been concluded under the auspices of the League of Nations or of organizations dependent on the League. Further, these agreements must not involve new hindrances to international trade *vis-à-vis* countries having most-favoured-nation rights. Finally, 'collective agreements' can only be regarded as such when they comply with certain conditions, to be determined, as to the number of the participating States.

The Conference should endeavour to find a solution for the whole of this question which will reconcile the interests of all.

(b) *Temporary Exceptions.*

The Conference should also consider whether, in present circumstances, too rigid an insistence on most-favoured-nation rights may not involve a risk, in certain cases, of creating difficulties in the path of economic progress which might be overcome by admitting temporary exceptions.

We feel, however, that in this matter the greatest prudence is necessary and that it would be difficult and dangerous to draw any general conclusions. Each separate case should receive careful attention and any discrimination against third States should be avoided.

In this connexion, attention should be drawn to the special agreements concluded by the Danubian countries with certain purchasing countries, granting particular advantages in respect of a limited quantity of cereals. Most of the members of the Commission held that, without prejudice to the rehabilitation of the wheat market by means of wider arrangements, the Conference should examine the possibility of admitting a temporary exception to the most-favoured-nation clause which would allow the putting into force of the above-mentioned agreements and would give effect to the recommendations of the Stresa Conference, without harming the interests of other countries.

Nevertheless, certain members believe that any preferential measure analogous to that mentioned above would be prejudicial to the other cereal-producing countries. In all these countries, the agricultural situation is very serious. It is conceivable that special measures might be adopted in favour of some of these, provided such measures did not injure the interests of the others. That, however, would not seem possible. Having regard to the capacity to absorb cereals of the countries which do not produce enough for themselves, any improvement obtained by preferential methods in the quantities purchased from certain countries whether directly or indirectly, owing to the latter being enabled to offer the product at relatively lower prices, would diminish to an equivalent extent purchases in the other producing countries at a time when the world market has undergone considerable shrinkage. In conclusion, these members consider that any exception to the most-favoured-nation clause, however temporary, is a bad precedent which should not be encouraged.

Without wishing to contest the validity of these arguments, other members maintain that it is less a question of increasing the quantities of cereals bought in the Danubian countries than of bringing prices up to a reasonable level. Moreover, the quantities thus revalorized would only represent a very small percentage of the consumption of the importing countries.

VI. ORGANIZATION OF PRODUCTION AND TRADE

Some of us have felt that a greater freedom of international trade is not the sole remedy for the present crisis, that the crisis has revealed profound disorganization of production and distribution, and that, on this point also, joint action by the Governments is necessary for the recovery of an economic system threatened by bankruptcy.

We take the view that concerted action by the Governments in selected fields of production and trade may be effective, either in the direction of facilitating and regulating the efforts already made by certain classes of producers, or in alleviating the unfortunate results on the general economic situation of interventions which are prompted by unduly narrow national considerations.

1. *Economic Agreements*

The present crisis has put international economic agreements to the test. Some of them have disappeared; the more solid have held their ground; while some new agreements have come into being under the pressure of events.

Undoubtedly, in certain cases, economic agreements have tended,

at least temporarily, to maintain and stabilize prices. They have represented an element of order in the midst of disorder, and have constituted what one might describe as islands of safety. They have effectively contributed, in the case of certain products and certain countries, to the prevention of conflicts and reprisals and the avoidance of tariff increases.

On the other hand, it has been argued against them that they have passed on the effect of the competition which they have eliminated to the economic system as a whole, and in particular to the non-cartellized industries which are directly dependent on them. They have also been accused of crystallizing existing situations, and so running contrary to the natural evolution of economic tendencies.

However that may be, economic agreements have become so important an element of production and trade that it is impossible for Governments not to take them into account in their internal and external economic policy.

It is not for us to pronounce on the attitude which Governments may take up in regard to economic agreements. We consider that, generally speaking, international economic agreements have more chance of success if their formation is left to the initiative and free discussion of the producers concerned, for whom they represent an already advanced stage of industrial organization.

Some of us, however, think that the Governments might usefully take the opportunity of the coming Conference to discuss the attitude they should adopt in regard to these agreements. Such discussions might facilitate the conclusion of agreements, particularly in cases where the intervention of Governments is necessary to ensure the organization of the production of, and trade in, certain staple products, especially in cases where the producers are not at present in a position themselves to regulate the production and distribution of their products.

The desirability of inter-Governmental agreements in the case of wheat has been advocated on these grounds.

2. *Wheat*

The question of regulating the production and export of wheat by agreements between Governments has been the subject of international discussions for some time past. It has been investigated at Geneva, Paris, Rome, and London, and, more recently, at Stresa.

Of all the proposals which have been studied, those which were submitted in London have engaged our special attention. At that time, it was proposed to apply only a system of limitation of exports.

Some still adhere to this proposal only, but others now consider that it might be combined with an agreed limitation of the areas sown. We had before us interesting suggestions from the Argentine Government relating to the reduction of the areas sown in the chief exporting countries and their limitation in importing countries, as a means of absorbing gradually the abnormal stocks which have accumulated through the failure of supply to adjust itself naturally to demand.

Whatever practical difficulties may stand in the way of this proposal, the Conference might note it for careful examination, in view of the seriousness of the present situation, taking account of the lessons of past conferences and inviting the qualified technical organizations to collaborate with the Governments.

3. *Other Products*

International agreements have also been contemplated in the case of certain commodities, the production and sale of which are controlled to a greater or less extent by certain Governments, particularly timber and coal.

With regard to timber, a meeting of experts took place in April 1932 at Geneva, which led to an international conference being held in June in Vienna, where a permanent timber committee was constituted, representing five producing countries (Austria, Poland, Czechoslovakia, Roumania, Yugoslavia). Negotiations are being carried on with a view to restricting the total exports from these countries and concluding agreements with various importing countries.

With regard to coal, experts have met at Geneva on several occasions since 1929 on the initiative of the Economic Committee of the League of Nations. The proposal to create an international organization, which is being urged by the miners, would not appear to have made any progress since the last meeting, which was held in January 1930.

In both these cases, the Conference might consider whether Government action might be likely to lead to the conclusion of agreements at which the producers have so far failed to arrive. In any case, to contribute to the effective solution of the crisis, the object of such action should be, not only to adjust the interests of the producing countries, but to safeguard those of the consuming countries.

4. *Transport*

Among the agreements to be considered, the Conference might endeavour to ascertain whether it would not be possible to conclude

agreements in connexion with sea, land, or river transport, which might improve the economic condition of the transport system, while considerably reducing charges which at present represent a heavy burden on the State budgets in the case of certain methods of transport.

In the case of shipping, the most urgent questions arise in connexion with direct or indirect subsidies to national mercantile marines and premiums on national ship-building. This policy has certainly contributed towards the creation and maintenance of a much greater tonnage than is required by existing international trade, so that in many countries shipping has become a burden on the national economy instead of a contribution to its prosperity.

We agree with the meeting of shipowners recently held at the International Chamber of Commerce that it is impossible to return to sound conditions in the shipping industry so long as the uneconomic policy of Government subsidies continues. This policy of excessive intervention requires to be checked by agreement between the Governments. At the same time, certain possibilities of agreement might be considered with regard to the scrapping of old tonnage, the utilization of existing tonnage, and the laying down of new ships.

Similarly, in the case of air traffic, the subsidies granted by States or other public bodies constitute a considerable portion of the receipts of air traffic companies. In this sphere, as in that of shipping, subsidies render competition particularly burdensome.

In the case of rail transport, at any rate on the European continent, endeavours should be made to ascertain whether it is not possible to arrive at agreements setting definite limits to the indirect protection of national economic interests by means of railway tariffs.

Lastly, any progress which may be made by the Conference towards greater freedom in international trade should naturally lead to the adoption of a more liberal policy in respect of international transport by river and road, since the economic importance of these two methods of transport is constantly increasing.

The Monetary and Economic Conference will doubtless not be in a position to hold an exhaustive discussion on each individual subject. If some Governments wish to raise discussion as to agreements relating to certain products or services, it might be advisable for them to give notice of their intention without delay, to enable the Organizing Committee of the Council or the Economic Committee or the Communications and Transit Committee of the League of Nations to call upon experts representing the principal interests

involved to consider without delay whether and on what conditions such agreements could be concluded.

(ii) *Proposed Joint Declaration submitted for President Roosevelt's Approval, June 30, 1933*¹

I. The undersigned Governments² agree that:

- (a) it is in the interests of all concerned that stability in the international monetary field be attained as quickly as practicable;
- (b) that gold should be re-established as the international measure of exchange value, it being recognized that the parity and time at which each of the countries now off gold could undertake to stabilize must be decided by the respective Governments concerned.

II. The signatory Governments whose currencies are on the gold standard reassert that it is their determination to maintain the free working of that standard at the existing gold parities within the framework of their respective monetary laws.

III. The signatory Governments whose currencies are not on the gold standard, without in any way prejudicing their own future ratios to gold, take note of the above declaration and recognize its importance. They reaffirm as indicated in Paragraph I above that the ultimate objective of their monetary policy is to restore, under proper conditions, an international monetary standard based on gold.

IV. Each of the signatory Governments whose currencies are not on the gold standard undertakes to adopt the measures which it may deem most appropriate to limit exchange speculation, and each of the other signatory Governments undertakes to co-operate to the same end.

V. Each of the undersigned Governments agrees to ask its Central Bank to co-operate with the Central Banks of the other signatory Governments in limiting speculation in the exchange and, when the time comes, in re-establishing a general international standard.

VI. The present declaration is open to signature by other Governments whether their currencies are on the gold standard or not.

(iii) *Declaration by President Roosevelt, July 3, 1933*³

I would regard it as a catastrophe amounting to a world tragedy if the great Conference of nations, called to bring about a more real

¹ *The Economist*, July 8, 1933.

² This compromise draft was prepared at a meeting attended by the representatives of the 'Gold' countries (Belgium, France, Italy, the Netherlands, Poland, and Switzerland) and of Great Britain.

³ *The Economist*, July 8, 1933.

and permanent financial stability and a greater prosperity to the masses of all nations, should, in advance of any serious effort to consider these broader problems, allow itself to be diverted by the proposal of a purely artificial and temporary experiment affecting the monetary exchange of a few nations only. Such action, such diversion, shows a singular lack of proportion and a failure to remember the larger purposes for which the Economic Conference originally was called together.

I do not relish the thought that insistence on such action should be made an excuse for the continuance of the basic economic errors that underlie so much of the present world-wide depression.

The world will not long be lulled by the specious fallacy of achieving a temporary and probably an artificial stability in foreign exchange on the part of a few large countries only.

The sound internal economic system of a nation is a greater factor in its well-being than the price of its currency in changing terms of the currencies of other nations.

It is for this reason that reduced cost of Government, adequate Government income, and ability to service Government debts are all so important to ultimate stability. So, too, old fetishes of so-called international bankers are being replaced by efforts to plan national currencies with the objective of giving to those currencies a continuing purchasing power which does not greatly vary in terms of the commodities and need of modern civilization. Let me be frank in saying that the United States seeks the kind of dollar which a generation hence will have the same purchasing and debt-paying power as the dollar value we hope to attain in the near future. That objective means more to the good of other nations than a fixed ratio for a month or two in terms of the pound or franc.

Our broad purpose is the permanent stabilization of every nation's currency. Gold or gold and silver can well continue to be a metallic reserve behind currencies, but this is not the time to dissipate gold reserves. When the world works out concerted policies in the majority of nations to produce balanced budgets and living within their means, then we can properly discuss a better distribution of the world's gold and silver supply to act as a reserve base of national currencies.

Restoration of world trade is an important partner both in the means and in the result. Here also temporary exchange fixing is not the true answer. We must rather mitigate existing embargoes to make easier the exchange of products which one nation has and the other nation has not.

The Conference was called to better and perhaps to cure fundamental economic ills. It must not be diverted from that effort.

(iv) *Declaration by the Representatives of Belgium, France, Italy, the Netherlands, Poland, and Switzerland, July 3, 1933*¹

The undersigned Governments, convinced that the maintenance of their currencies is essential for the economic and financial recovery of the world and of credit and for the safeguarding of social progress in their respective countries, confirm their intention to maintain the free functioning of the gold standard in their respective countries at the existing gold parities and within the framework of existing monetary laws. They ask their Central Banks to keep in close touch to give the maximum efficacy to this declaration.

(v) *Communiqué issued after the Meeting of Representatives of the Central Banks of Belgium, France, Italy, the Netherlands, Poland, and Switzerland, July 8, 1933*²

Comme suite à la déclaration de leurs gouvernements, en date du 3 juillet, les instituts d'émission belge, français, italien, hollandais, polonais, et suisse, ont tenu aujourd'hui, à la Banque de France, une réunion à laquelle participaient MM. Franck, gouverneur de la Banque nationale de Belgique; Moret, gouverneur de la Banque de France; Azzolini, gouverneur de la Banque d'Italie; Trip, président de la Banque néerlandaise; Wroblewski, président de la Banque de Pologne; Bachmann, président, et Weber, membre de la direction générale, de la Banque nationale suisse.

Des échanges de vues ont abouti à un accord complet sur les moyens de donner à la déclaration des gouvernements en faveur du maintien intégral de l'étalon or, aux parités actuelles, sa pleine efficacité pratique.

Les banques centrales des pays représentés mettront immédiatement en application des arrangements techniques dont les modalités ont été arrêtées au cours de la réunion.

M. Fraser, président de la Banque des règlements internationaux, était également présent à cette réunion.

(vi) *Report of the Monetary and Financial Commission, July 24, 1933*³

I. REPORT BY H.E. M. GEORGES BONNET (FRANCE)

1. The Monetary and Financial Commission began work under the Presidency of Governor Cox on June 16. It decided at its first meet-

¹ *The Economist*, July 8, 1933.

² *Le Temps*, July 10, 1933.

³ League Document, Conf. M.E. 22.

ing to adopt the Draft Annotated Agenda drawn up by the Preparatory Commission of Experts as the basis of its programme.

With a view to systematic study of its programme, the Commission divided into two Sub-Commissions. The first on 'Immediate Measures for Financial Reconstruction', with H.E. M. G. Jung as President, had the following subjects on its agenda:

- Credit Policy;
- Price Levels;
- Limitation of Monetary Fluctuations;
- Exchange Control;
- Indebtedness;
- Resumption of International Lending.

The second Sub-Commission on 'Permanent Measures for the Re-establishment of an International Monetary Standard', with Dr. Kienböck as President, was charged with the study of the following points:

- Functions of Central Banks;
- Co-ordination of their Policies;
- Silver;
- Gold Exchange Standard and other Means of Economizing Gold;
- Distribution of Monetary Reserves.

All the countries represented at the Conference were entitled to take part in the work of the two Sub-Commissions, and representatives of the Financial Committee of the League of Nations and the President of the Bank for International Settlements were also invited to participate.

Further, each of the two Sub-Commissions entrusted the study of certain special problems and the drawing up of draft resolutions to small sub-committees as circumstances required.

2. A number of meetings were devoted by each of the Sub-Commissions to a detailed exchange of views on the general aspects of the questions forming their programme as outlined above. This initial work brought to light the inter-dependence of the majority of the problems involved, and the necessity for first settling certain fundamental questions which might pave the way to the agreements which it was the function of the Sub-Commissions to seek. It was, however, agreed after a full exchange of views that solutions of these fundamental problems on an international basis were for the moment impossible, and that in these circumstances it was better to postpone their discussion. The Sub-Commissions accordingly decided to con-

centrate on those points the discussion of which was likely to lead to immediate results, and in agreement with the Bureau of the Conference they modified their programme accordingly.

3. In these circumstances, they achieved the results which you will find embodied in the Reports they have prepared. These Reports have been adopted by the Monetary and Financial Commission and I, in my turn have the honour to submit them to you for your approval (see Annexes 1 and 2).

4. Sub-Commission I unanimously adopted the text of a resolution relating to indebtedness submitted to it by the Drafting Committee set up for the purpose. The adoption of this resolution was accompanied by interpretative explanations from the delegations of the Argentine Republic and the Dominican Republic.

Sub-Commission I brings its Report to a close with the statement that the discussion of the other subjects on the Agenda did not proceed far enough to do more than outline the main problems to be solved. It adds that it will, however, be prepared to resume its task at a later stage.

5. Sub-Commission II unanimously adopted the following five resolutions:

- (a) A resolution relating to the return to monetary stability, the adoption of gold as an international monetary standard, its use for monetary requirements and the legal cover of Central Banks.

The Bulgarian delegation made a reservation with regard to this resolution.

- (b) A resolution relating to the creation of Central Banks.
- (c) A resolution relating to the need for close and continuous co-operation between Central Banks and to the part which might be played by the Bank for International Settlements in this connexion.
- (d) A resolution relating to the adaptation of the Central Banks of certain agricultural countries to the special economic conditions of those countries.

The Yugoslav delegation entered a reservation to this resolution.

- (e) A resolution relating to silver, the adoption of which was accompanied by explanations from the Mexican delegation and an interpretation by the French delegation.

Sub-Commission II further mentions in its Report the communication made to it by one of its Sub-Committees regarding the general

principles of the monetary policy of Central Banks. All the Governments represented on the Sub-Committee approved these principles, except the United States delegation, which considered discussion of the question at this time premature, it being understood that the Federal Reserve Banks would be glad to confer at an opportune time with other Central Banks on questions of this character to the extent that they were compatible with national policies.

With regard to the part of its agenda dealing with the gold exchange standard and other methods of economizing gold, and the distribution of monetary reserves, Sub-Commission II was not able to complete its Report during the present session.

It took note, however, of a recommendation made to it by the Sub-Committee entrusted with the study of these questions, to the effect that the Bank for International Settlements would examine the problem of the gold exchange standard as soon as possible and would, in particular, consider how far it might be found possible to avoid some of the drawbacks which this system has revealed in the past. The Conference will certainly wish to endorse this recommendation.

6. The Conference will not fail to appreciate the importance of the results already obtained. It is, I think, reasonable to suppose that, when the future work of the Monetary and Financial Commission has led to the conclusion of wider agreements, these agreements will embody the principles which the resolutions adopted record.

Before concluding my report, I should like to draw the attention of the Conference to the extreme importance of the discussions which have taken place at the meetings of your Monetary and Financial Commission and of its various organs of inquiry, and which could not be faithfully reflected in the resolutions submitted to you. The questions reserved for further study also gave rise to exhaustive discussions in which all those taking part were inspired by a sense of the grave nature of the task devolving upon this Conference, and by a wish to reach solutions which would justify the hopes the whole world has set upon it. If your Commission has not on this occasion solved all the problems submitted to it, it feels sure that a way will soon be found to reconcile views which, differing as regards means, are identical as regards the ultimate aims. On the resumption of the general discussions, which the Bureau will be empowered to arrange for when the time comes, the real value of the substantial work done by your Monetary and Financial Commission at this first session will become fully apparent.

II. APPENDICES

APPENDIX 1

REPORT OF SUB-COMMISSION I: IMMEDIATE MEASURES FOR FINANCIAL RECONSTRUCTION

Chairman: H.E. M. Guido JUNG (Italy)

Following the appointment of the Sub-Commission on Immediate Measures for Financial Reconstruction by the Monetary and Financial Commission to consider the following questions—credit policy, price levels, limitation of currency fluctuations, exchange controls, problems of indebtedness, resumption of lending—the first meeting of your Sub-Commission was held on June 19 and five public sessions were held between June 19 and 21, in which a general discussion took place on the questions of credit policy and price levels. A draft resolution was submitted by the United Kingdom delegation (document Conf. M.E./C.M.F.8) and a further resolution was proposed by the United States delegation (document Conf. M.E./C.M.F.14).

Four public sessions followed between June 22 and 27, in which a general discussion took place on the problems of indebtedness. Draft resolutions were submitted by the Hungarian and Roumanian delegations (documents Conf. M.E./C.M.F.13 and 15).

On June 27 it was decided to appoint a Sub-Committee to make concrete proposals relating to the procedure to be adopted.

This Sub-Committee met the same day and decided to appoint two Drafting Committees to prepare resolutions, the first on the question of credit policy and the second on the problems of indebtedness.

The first Drafting Committee met on June 28, and discussed a paper submitted by the United Kingdom delegation. However, the working of this Committee was deferred in view of certain events affecting the possibility of reaching, for the time being, full agreement on the terms of resolutions on the subject.

The general policy was reviewed by the Bureau of the Conference at its meeting on July 6, when it requested each Sub-Commission to draw up as soon as possible a list of questions which, in the circumstances, could be usefully studied.

Your Sub-Commission held two public sessions on July 7 in connexion with this request, and a proposal of the United Kingdom delegation that all the items on the agenda should be included in the list to be submitted to the Bureau was adopted by 25 votes to 15, with one abstention; 23 delegations were not present. Three of these

subsequently expressed their adherence to the United Kingdom proposal.

On July 11 the Bureau of the Conference decided to recommend that your Sub-Commission should proceed for the time being with the discussion on the problems of indebtedness. This task was confided to the second Drafting Committee appointed on June 27, which held five private meetings between July 12 and 18, and reported through the Chancellor of the Exchequer on July 20 to your Sub-Commission the following resolution, which was unanimously adopted:

1. The service of external debts is in different degrees an important item among the liabilities in the balance of payments of many countries and can only be assured if the debtor country can procure the necessary resources. The facility with which such resources can be procured in the present and in the future may depend on the revival of economic activity and credit. It would be assisted by a return to a reasonable degree of freedom in the movement of goods and services, and the creditor countries in particular should co-operate to this end. It will also depend on the economic and financial policy adopted by the debtor country. In present conditions a solution of the problem of indebtedness may in certain cases be necessary for the re-establishment of equilibrium. It should not, however, be dealt with in such a way as to impair credit.

2. The conditions in the debtor countries vary considerably and it is not possible to lay down a uniform treatment applicable to all cases. But debtors should make every possible effort to meet the service of their debts and to fulfil their contracts. It is indispensable, indeed, for the restoration of credit that contracts should be respected in the absence of modifications agreed between the parties concerned.

3. When arrangements are recognized to be necessary, care should be taken by all concerned to secure the maintenance of confidence. They should, therefore, be limited to those cases where they are unavoidable, be made directly between debtors and creditors, and be based on the debtor's ability to pay. As regards State loans, it is in the interest of the creditors themselves to conclude arrangements of such a nature as will permit the adoption at the same time of a programme of economic and financial restoration by the debtor countries and its effective application.

4. It is desirable that in each of the countries concerned there should exist organizations in a position to represent the several classes of creditors in respect of foreign loans, including, in suitable cases, short as well as long term loans, and that such organizations

should maintain such contact with one another as may be necessary to facilitate their proceedings. The Commission therefore recommends to the Governments of these countries that they should encourage the creation of, and contact between, organizations of this kind where they do not already exist, at such times and in such measure as action can in their view be usefully applied.

5. The question of inter-governmental debts lies entirely outside the field of discussion of this Conference.

The discussion of the other subjects on the agenda did not proceed far enough to do more than outline the main problems to be solved. Your Sub-Commission will, however, be prepared to resume in order that its task can be completed at a later stage.

APPENDIX 2

REPORT OF SUB-COMMISSION II: PERMANENT MEASURES FOR THE RE-ESTABLISHMENT OF AN INTERNATIONAL MONETARY STANDARD

Chairman: DR. V. KIENBÖCK (Austria)

1. On June 19 the Monetary and Financial Commission decided to divide its work between two Sub-Commissions. Sub-Commission II, with which this report deals, was set up to consider Permanent Measures for the Re-establishment of an International Monetary Standard. The agenda proposed for the Sub-Commission was:

The Functions of Central Banks;
The Co-ordination of their Policies;•
Monetary Reserves;
Silver.

2. All the delegations at the Conference were invited to send representatives to the Sub-Commission. The representatives of the Financial Committee of the League of Nations and the President of the Bank of International Settlements were also invited to co-operate in its work.

Dr. V. Kienböck (Austria) was appointed President of the Sub-Commission.

3. At its first meeting (June 19) the Sub-Commission took as the basis of its discussions a draft resolution submitted by the United States delegation (document Conf. M.E./C.M.F.5), the second part of a proposal submitted by the Swiss delegation to Sub-Commission I (document Conf. M.E./C.M.F.2), and the second part of proposals submitted by the Roumanian delegation on behalf of the Bulgarian, Latvian, Polish, Roumanian, Czechoslovak, and Yugoslav delegations

(document Conf. M.E./C.M.F.4). It was decided to set up two Sub-Committees, one to deal with the question of silver and the second to deal with the technical monetary problems connected with the working of the gold standard. Senator Pittman presided over the former and Dr. Kienböck, and in his absence Mr. Postmus, over the latter.

4. At its second meeting on June 20 the Sub-Commission unanimously adopted the following resolutions (document Conf. M.E./C.M.F.9):

- I. (a) That it is in the interests of all concerned that stability in the international monetary field be attained as quickly as practicable;
- (b) That gold should be re-established as the international measure of exchange values, time and parity being for each country to determine.

5. After private discussions and conversations among the delegations primarily concerned, the Sub-Commission, on July 20, on the recommendation of the Sub-Committee on Silver, unanimously adopted the following draft resolution which was based on a draft submitted by the United States delegation:

Be it resolved to recommend to all the Governments Parties to this Conference

- V. (a) That an agreement be sought between the chief silver producing countries and those countries which are the largest holders or users of silver, with a view to mitigating fluctuations in the price of silver; and that the other nations not parties to such agreement should refrain from measures which could appreciably affect the silver market;
- (b) That Governments parties to this Conference shall refrain from new legislative measures which would involve further debasement of their silver coinage below a fineness of 800/1,000;
- (c) That they shall substitute silver coins for low value paper currency in so far as the budgetary and local conditions of each country will permit;
- (d) That all of the provisions of this Resolution are subject to the following exceptions and limitations:

The requirements of such provisions shall lapse on April 1, 1934, if the agreement recommended in paragraph (a) does not come into force by that date, and in no case shall extend beyond January 1, 1938;

Governments may take any action relative to their silver

coinage that they may deem necessary to prevent the flight or destruction of their silver coinage by reason of a rise in the bullion price of the silver content of their coin above the nominal or parity value of such silver coin.

6. The Sub-Committee on Technical Monetary Problems began its work on June 21, with a consideration of monetary gold reserves, taking as the basis of its discussion clauses (c), (d), and (e) of the draft resolution presented by the United States delegation (document M.E./C.M.F.5). Mr. Fraser, President of the Bank for International Settlements, was appointed rapporteur.

7. At the fourth meeting of the Sub-Commission held on June 28, the following resolutions were presented (document Conf. M.E./C.M.F.19 (1)):

- I. (c) That under modern conditions monetary gold is required, not for internal circulation, but as a reserve against Central Bank liabilities, and primarily to meet external demands for payments caused by some disequilibrium on the foreign account. It is consequently undesirable to put gold coins or gold certificates into internal circulation.
- (d) That in order to improve the working of a future gold standard greater elasticity should be given to Central Bank legal cover provisions; for instance, in so far as the system of percentage gold cover is applied a minimum ratio of not more than twenty-five per cent. should be considered as sufficient; similar elasticity should be achieved by appropriate measures where other systems are applied. However, such changes must not be taken as an excuse for unduly building up a larger superstructure of notes and credits; in other words the effect of this resolution should be to increase the free reserve of Central Banks and thereby to strengthen their position.

These resolutions were unanimously adopted by the Sub-Commission with an amendment proposed by the Egyptian delegation that the word 'minimum' should be inserted before 'ratio' in draft resolution (d). The Bulgarian delegation, while accepting the draft resolution (c), made the reservation that in present conditions its Government was unable to use its Central Bank's gold reserves to meet the disequilibrium on the foreign account, because such a step would prove seriously prejudicial to public confidence in the note circulation.

The German delegation having proposed to insert the word 'temporary' before 'disequilibrium' in draft resolution (c), in order to make it clear that the resolution did not favour the use of Central

Bank gold reserves to meet a permanent disequilibrium in the balance of payments, withdrew its proposal upon the Rapporteur explaining that the resolution did not mean that Central Banks of countries with a permanent deficit in their balance of accounts would have to be deprived of the whole of the gold in their possession and so compromise the internal note circulation.

8. The Sub-Committee on Technical Monetary Problems resumed consideration of the remaining items of its agenda on June 29, dealing with co-operation among Central Banks. In this connexion it took into consideration a proposal by the Roumanian delegation concerning the adaptation of the Central Banks of agricultural countries to the special conditions of those countries (document Conf. M.E./C.M.F.18).

9. On July 11 the Bureau of the Conference adopted a resolution that—

The Monetary and Financial Sub-Commission II should take up the resolutions, already adopted by its Sub-Committees, on Central Banking co-operation and on the creation of Central Banks in certain countries where they do not now exist, and should pursue, through its Sub-Committees, the examination of the question of silver and any other subject on its agenda which may by general agreement be considered suitable for discussion.

10. In pursuance of the Bureau's resolution, the Sub-Commission met on July 14, and unanimously adopted the three following resolutions (documents Conf. M.E./C.M.F.20, 21(1), 22):

- II. The Conference considers it to be essential, in order to provide an international gold standard with the necessary mechanism for satisfactory working, that independent Central Banks, with the requisite powers and freedom to carry out an appropriate currency and credit policy, should be created in such developed countries as have not at present an adequate Central Banking institution.
- III. The Conference wishes to reaffirm the declarations of previous conferences with regard to the great utility of close and continuous co-operation between Central Banks. The Bank for International Settlements should play an increasingly important part, not only by improving contact, but also as an instrument for common action.
- IV. The Sub-Committee has taken note of the suggestions of the Roumanian delegation with a view to securing the adaptation of the Central Banks of certain agricultural countries to the special economic conditions of these countries and of the views expressed in the discussion thereof. The Sub-Commit-

tee feels that the local conditions in each country will to a very large extent determine the solutions to be adopted in this matter, and suggests that, if any countries desire advice on these questions in view of their technical character, they might appropriately be considered by the international organizations specially competent to advise on these matters.

The Yugoslav delegation made a declaration accepting resolution IV, at the same time stating that the legal minimum cover should not be diminished below the percentage recommended by the Sub-Commission in resolution I (*d*).

11. The Sub-Commission held its final meeting on Monetary Problems on July 20. The following resolution (document Conf. M.E./C.M.F.23) was communicated to it:

The Sub-Committee approves the annexed statement of general principles of Central Banks monetary policy which was laid before it.

- (1) The proper functioning of the gold standard requires in the first place the adoption by each individual Central Bank of a policy designed to maintain a fundamental equilibrium in the balance of payments of its country. Gold movements which reflect a lack of such an equilibrium constitute therefore an essential factor in determining Central Bank policy.
- (2) Gold movements, so far as they seem to be of a more permanent character, should normally not be prevented from making their influence felt both in the country losing gold and in the country receiving gold.
- (3) While gold should be allowed freely to flow out of and into the countries concerned, Central Banks should always be prepared to buy gold at a publicly announced fixed price expressed in their currency, and to sell gold at a publicly announced fixed price expressed in their currency, the latter at least when exchange rates reach gold points.
- (4) Central Banks should obtain from their markets the fullest possible information concerning the demands that might be made upon their reserves.
- (5) Since as already stated under (1) the proper functioning of the gold standard requires in the first place the adoption by each individual Central Bank of a policy designed to maintain a fundamental equilibrium in the balance of payments of its country, the discretion of each Central Bank in regulating the working of the gold standard in its own country should remain

unimpaired. Central Banks should, however, recognize that in addition to their national task they have also to fulfil a task of international character. Their aim should be to co-ordinate the policy pursued in the various centres, in order to contribute towards the satisfactory working of the international gold standard system.

Moreover, they should endeavour to adapt their measures of credit regulation, as far as their domestic position permits, to any tendency towards an undue change in the state of general business activity. An expansion of general business activity of a kind which clearly cannot be permanently maintained, should lead Central Banks to introduce a bias towards credit restriction into the credit policy which they think fit to adopt, having regard to internal conditions in their own countries. On the other hand, an undue decline in general business activity in the world at large should lead them to introduce a bias towards relaxation.

In pursuing such a policy the Central Banks will have done what is in their power to reduce fluctuations in business activity and thereby also undue fluctuations in the purchasing power of gold.

- (6) With a view to arriving at an agreed interpretation of the data revealing the tendency of developments in general business activity, and at an agreed policy, Central Banks should consult together continuously, each Central Bank, in case of difference of opinion, acting on its own judgement of the situation. The Bank for International Settlements constitutes an essential agency for Central Bank action, designed to harmonize conflicting views and for joint consultation. This instrument should continue to be employed, as far as possible, for the realization of the principles set forth in the present note. It should continuously examine the application of the principles of the working of the gold standard and study such modifications thereof as experience may prove desirable.

Agreement on the resolution was reached by all Governments represented at the Sub-Committee on Technical Monetary Problems, except that of the United States of America, which considered discussion of the question at this time premature, it being understood that the Federal Reserve Banks would be glad to confer at an opportune time with other Central Banks on questions of this character to the extent that they are compatible with national policies.

The Sub-Commission further took note of a report from the Sub-

Committee on Technical Monetary Problems concerning the remaining subjects on its agenda, including a draft resolution submitted by the Irish Free State delegation (document Conf. M.E./C.M.F.12). The report was as follows:

The Committee has not been able during the present session to complete its report on the section of the Annotated Agenda dealing with the gold exchange standard, with other methods of economizing gold and with distribution of monetary reserves.

As regards the gold exchange standard, the Committee recommends that the Bank for International Settlements should as soon as possible proceed to a study of the question, and particularly that it should examine to what extent it will prove possible to avoid certain of the defects which this system has revealed in the past.

12. The Sub-Commission was asked to clarify the permanent principles of monetary policy that ought to be pursued in future. It is satisfactory to note that it has achieved a measure of success in this task, since it has proved possible to reach full agreement on certain important problems. This may be seen from the text of resolutions approved. The same unanimity was evident also in regard to the necessity of Central Bank co-operation. Finally it should be stated that the important task which the Bank for International Settlements must discharge in the future was fully recognized.

(vii) *Report of the Economic Commission, July 21, 1933*¹

I. REPORT BY THE RIGHT HONOURABLE WALTER RUNCIMAN
(UNITED KINGDOM)

The work of the Economic Commission opened with a general discussion, which revealed the necessity of dividing up the vast material with which the Commission had to deal into specific groups as follows:

(a) *Commercial Policy*, including:

- (1) Return to normal conditions of trade; gradual abolition of restrictions upon the exchange of goods and of foreign exchange control, &c.
- (2) Tariff and treaty policy, including the régime of the most-favoured-nation clause.

(b) *Co-ordination of Production and Marketing:*

Wheat and other foodstuffs (sugar, wine, coffee, &c.); raw

¹ League Document. Conf. M.E. 22.

materials (coal, timber, &c.); industrial and agricultural agreements, &c.

(c) *Measures other than Customs Duties and Prohibitions:*

- (1) Various measures grouped together under the designation of 'indirect protectionism'.
- (2) Veterinary and phytopathological measures.
- (3) Marks of origin.
- (4) Direct and indirect bounties, in particular, shipping subsidies.

The Economic Commission set up three Sub-Commissions to study these three groups of questions.

(d) *Public Works:* The Commission itself dealt with the question of public works.

Ad (a) Commercial Policy

Chairman: M. C. V. KROGMANN (Germany)

As regards restrictions upon the importation of goods, the discussions of the Sub-Commission have shown that all delegations are prepared in principle to support the gradual abolition of these restrictions subject to the provisos mentioned in the Report (Annex I).

The debates on tariff policy have also shown that the various countries unanimously consider a lowering of the excessive tariffs as absolutely indispensable. Although the methods advocated by the various delegations in order to attain this end differ, the discussions have nevertheless made it clear that in all countries tariff disarmament is regarded as essential if international trade, which is contracting more and more, is to be revived.

The régime of the most-favoured-nation clause was likewise the subject of very keen discussions. This régime has also been shaken by the effects of the economic depression; it is, therefore, not surprising that the traditional interpretation of this clause raises serious difficulties in the present crisis. In the Sub-Commission, several delegations voiced the desire that the rigidity of the clause should be relaxed by the recognition of certain new exceptions. There was not sufficient time, however, for the Sub-Commission to reach definite conclusions in this matter.¹

¹ At the last meeting of the Economic Commission, the United States delegation brought forward a suggestion for the further development, during the recess and later stages of the Conference, of a programme on Commercial Policy. The text is reproduced in Appendix 6.

AD (b) Co-ordination of Production and Marketing

Chairman: H.E. M. Thomas LE BRETON (Argentine Republic)

This Sub-Commission had at first occupied a comparatively modest place among the great problems to be discussed; it developed, however, beyond even the limits originally contemplated. It was directed to meeting a deeply felt want, for one after another the delegations interested in certain important branches of production asked that the latter should form the subject of a special study. The Sub-Commission's task became increasingly complicated and more and more Sub-Committees were set up.

Naturally, they could not hope, in the short time that remained to them, to reach precise and definite agreements concerning the products under consideration. Thanks, however, to the goodwill of the members of the Sub-Commission, it has been possible in almost all cases to make satisfactory progress. In this list of products, including not only the principal agricultural commodities, but also some important raw materials, it was only possible to organize so vast and complicated an inquiry in so short a time owing to the obvious desire for such an inquiry of the producers themselves, represented by the delegations concerned.

There was, in short, an impression that this examination of possibilities of agreement would enable the evil to be attacked at the root, and would prepare the ground for a useful resumption of the discussions on general problems which had been temporarily suspended.

But at the same time, it was recognized that there are serious difficulties in proceeding from the laying down of general principles to their practical application, especially as it was necessary to bring together the interests of producing and of consuming countries.

Furthermore, opinion is divided as to whether, in normal times, the framing of agreements regulating production and trade is in principle desirable, but it seems obvious that the exceptional period through which we are passing may call for exceptional remedies. Consequently several delegations have insisted on the necessity of avoiding giving the impression that the adoption of measures to co-ordinate production can be defended except as a temporary expedient employed in abnormal circumstances.

In the existing situation of the Conference the progress which this Sub-Commission has achieved undoubtedly represents one of the most useful contributions which could be made to the scheme for

economic recovery. M. Le Breton's report, with its numerous annexes concerning the different products studied, will give a precise idea of the work done.

AD (c) (1 to 3) *Measures other than Customs Duties and Prohibitions*

Chairman: M. SUTENS (Belgium)

1. *Various measures grouped under the heading of indirect protectionism.*

The term indirect protectionism covers the most diverse and variable measures. For several years, a very large number of cases have been exhaustively studied by the Economic Committee of the League of Nations with the co-operation of the national administrations and of qualified experts.

As regards this extremely complicated and elusive question, the Sub-Commission considered that it was more practical to direct its efforts towards finding a general formula to be embodied in commercial treaties. It is of opinion that the adoption of an equitable treatment clause would form the simplest and most effective means of meeting the difficulties constantly arising in the sphere of indirect protectionism.

Finally, the Sub-Commission recommends the convening of a special Conference at an appropriate date, on the basis of the work already accomplished by the Economic Committee of the League of Nations, in respect of certain customs formalities.

2. *Veterinary and phytopathological measures.*

As regards *veterinary* measures, the Sub-Commission recommends that the draft conventions prepared by the Economic Committee of the League of Nations should be submitted to an international diplomatic conference, and that the work being carried out under the auspices of that Committee, in particular that relating to the trade in meat and livestock, should be continued and extended.

In regard to *phytopathological* questions, and especially the problems raised by the control of the importation and exportation of plants and vegetable products, the Sub-Commission requests the International Institute of Agriculture to undertake certain work.

It also provides for the adoption of certain principles designed to ensure better international co-operation in these two fields.

3. *Marks of Origin.*

Although on this important question the efforts of the Sub-Commission did not lead to the establishment of a draft agreement which

could be unanimously accepted, it is nevertheless satisfactory to note that the Sub-Commission considers it possible to achieve substantial progress by means of an international agreement. Agreement was reached on a number of important points and the Sub-Commission asks the Bureau of the Conference to provide for the continuation of its work.

AD (c) (4) *Bounties and Subsidies*

Chairman: Dr. E. L. BURGIN (United Kingdom)

The influence which many categories of bounties and subsidies may exercise on international economic relations was not contested in the Sub-Commission. Among such measures, shipping subsidies were subjected to a particularly close study on account of their effect upon the organization of maritime shipping and the freight market.

Several delegations, belonging to countries which are of special importance from the point of view of maritime shipping, were of opinion that a discussion regarding the possibility of regulating this matter could only be usefully pursued when the special circumstances which had led to the adjournment of part of the Conference's work had disappeared.

In these circumstances, the Sub-Commission has decided merely to submit a summary of its work, which will serve as a useful basis for subsequent discussions.

AD (d) *Public Works*

An examination of this question by the Economic Commission had to be postponed at the express request of the representatives of the International Labour Office, who were kept at Geneva until the end of June by the International Labour Conference.

As the problem of public works has both economic and financial aspects, it had been understood from the beginning of the Conference that it was to be considered by a sub-committee to be set up by the Economic Commission and the Monetary and Financial Commission.

The Economic Commission examined this question in the presence of representatives of the International Labour Organization and the Organization for Communications and Transit of the League of Nations. It has not been able, however, to set up a sub-committee for this purpose since the Monetary and Financial Commission has for its part not yet been able to consider this problem.

The Economic Commission recommends that the Bureau of the Conference appoint this sub-committee, which should be composed in such a way that due regard would be had both to the economic and social and to the financial aspects of the matter, and convene it as soon as circumstances permit (see letter of the President of the Commission to the President of the Conference, Appendix 5).

In addition, the American delegation submitted a proposal to the Economic Commission advocating a reduction of hours of work and the introduction of a scale of wages rising in proportion to the increase in production. The Commission proposes to refer this question to the sub-committee, the appointment of which it is recommending to the Bureau, in order to consider the problem of public works and other means of reducing unemployment.

II. REPORT BY H.E. M. THOMAS LE BRETON (ARGENTINE REPUBLIC) ON THE WORK RELATING TO THE CO-ORDINATION OF PRODUCTION AND MARKETING

A

The Sub-Commission had before it a proposal by the French delegation (document Conf. M.E./C.E.18) which had asked the Conference to examine the possibility of agreements between Governments on certain products for which the intervention of the latter appeared to be necessary.

It was, therefore, confronted with a vast plan of action and, in order to prepare the ground, it was anxious to begin by a discussion of the general principles which should govern the agreements to be concluded with a view to a readjustment of supply and demand. Extreme caution is necessary in regard to such matters: any mistake in application might bring about the opposite results to those desired.

A plan submitted by the United Kingdom delegation (document Conf. M.E./C.E.17) defined the conditions which all schemes of this nature should fulfil, all of them resting on the fundamental idea of the necessity of obtaining a carefully balanced proportion. It was exhaustively discussed and the Sub-Commission, taking into account the observations made by various delegations, arrived at the following test, which in view of its importance I here reproduce in full (document Conf. M.E./C.E.33):

1. In order to assist in the restoration of world prosperity, it is essential to increase the purchasing power of the producers of primary products by raising the wholesale prices of such products to a reasonable level.

2. In the exceptional conditions of the present world crisis, concerted action is required for this purpose. Apart from any other measures that may be taken to restore the purchasing power of producers and consumers and thus to increase demand, it is desirable that plans should be adopted for co-ordinating the production and marketing of certain commodities.

3. Any agreements to give effect to such plans should conform generally to the following conditions:

- (a) The commodity must be one of great importance for international trade in which there is such an excess of production or stocks as to call for special concerted action.
- (b) The agreement should be comprehensive as regards the commodities to be regulated, that is, it should not be so narrowly drawn as to exclude related or substitute products, if their inclusion is necessary or desirable to ensure the success of the plan.
- (c) It should be comprehensive as regards producers, that is:
 - (i) it should in the first instance command a general measure of assent amongst exporting countries, and within these countries a substantial majority of the producers themselves:
 - (ii) where necessary or desirable for the success of the plan, it should provide for the co-operation of non-exporting countries whose production is considerable.
- (d) It should be fair to all parties, both producers and consumers, it should be designed to secure and maintain a fair and remunerative price level, it should not aim at discriminating against a particular country, and it should as far as possible be worked with the willing co-operation of consuming interests in importing countries who are equally concerned with producers in the maintenance of regular supplies at fair and stable prices.
- (e) It should be administratively practicable, that is, the machinery established for its administration must be workable, and the individual Governments concerned must have the power and the will to enforce it in their respective territories.
- (f) It should be of adequate duration, that is, it should contain provisions for its continuance for such a period as to give assurance to all concerned that its objects can be achieved.
- (g) It should be flexible, that is, the plan should be such as to permit of and provide for the prompt and orderly expansion of supply to meet improvement in demand.

- (h) Due regard should be had in each country to the desirability of encouraging efficient production.

B

The details of the agreements to be concluded could obviously be settled only by the countries concerned. The Sub-Commission considers, however, that it has facilitated the conclusion of such agreements by unanimously approving the principles on which they should be based. Although, however, these principles have received unanimous support, I would point out that several delegations have strongly emphasized the necessity of not prejudicing the future of the consuming countries, and in particular those which lack raw materials.

Moreover, the discussions of the Sub-Commission have given prominence to two ideas to which attention should be drawn:

The attempts made hitherto to organize certain special branches of production have rarely been successful, but it was observed that such attempts were isolated and remained within the ambit of a single category of producers and consequently were completely at the mercy of the opposing interests concerned.

Within this Conference, on the other hand, such attempts are considered as so many parts of a concerted scheme intended to give fresh impetus to economic life. It follows that, while taking most careful account of the opinion of those directly concerned, without whose sincere co-operation it is very difficult to operate schemes of this kind satisfactorily, the Governments seem called upon to consider these schemes.

It has been pointed out that their direct intervention may even in certain cases be necessary, provided always that it may, and perhaps should, have a purely temporary character.

C

The choice of products towards which the first effort at organization was directed, was to depend on two conditions:

- (1) The greatest possible number of producers were to be included;
- (2) The product must lend itself as much as possible to international regulation.

The French delegation proposed to examine and conclude Government agreements on the best way of regulating the production of and trade in the following products: *Wheat, Wine, Timber, Cotton, Wool, Coal, Copper, Silver.*

The list of these products was supplemented by *Sugar* at the request of Cuba and the Netherlands, *Coffee* at the request of the Brazilian delegation, *Cocoa* at the request of the delegates of Ecuador and Venezuela, *Tobacco* at the request of the delegates of Bulgaria, Greece, and Turkey, *Dates* at the request of the delegation of Iraq, *Tin* at the request of the United Kingdom delegation and the delegation of the Netherlands. *Silver* was placed on the agenda of a special Sub-Committee of the Monetary Commission.

A memorandum explaining the agreement recently reached on *Tea* has also been laid before the Sub-Committee.

In the case of *Wool* there was no question of any measures affecting production, but only of a lowering of customs tariffs, and it seemed that in these circumstances the question came within the terms of reference of the Sub-Commission on Commercial Policy.

The same applied to *Dates*.

As regards *Tobacco*, the demands of the tobacco-producing countries also refer mainly to the question of customs duties. At Geneva, meetings organized by the Commission of Inquiry for European Union had already considered the problem of tobacco grown by Greece, Turkey, and Bulgaria. The Sub-Commission for the Co-ordination of Production, to which no definite proposals had been submitted, was not able to examine the possibility of an agreement between European and extra-European producers.

For lack of time the question of cotton was not touched upon.

The Sub-Commission proceeded to examine each of the other products on the list. In many cases it set up special smaller Sub-Committees to deal with a particular article. The countries specially concerned with that article were represented on the Sub-Committee together with other countries which represented the consumer's interests.

The results obtained by the Sub-Commission for each of the products under consideration, are enumerated below:

D

(a) *Foodstuffs*.

1. *Dairy Products*. The International Institute of Agriculture has been requested to make a preliminary study of the question in agreement with the International Agricultural Commission, the International Dairy Federation, and the Economic Committee of the League of Nations.

2. *Sugar*. The Bureau of the Conference has been requested to keep in touch with the International Sugar Council and with the

countries concerned and to summon, when it thinks it expedient, a further meeting in order to bring about the conclusion of a general agreement.

3. *Wine.* The International Wine Office is instructed to follow, in co-operation with the Economic Committee of the League of Nations and the International Institute of Agriculture, the various points of the plan drawn up by the Sub-Committee.

4. *Coffee.* Suggestions and proposals of the exporting countries with a view to the co-operation of production and marketing, and possibly for the organization of some international body, to be submitted to the Secretary-General of the Conference.

5. *Cocoa.* The chief cocoa-producing countries have been invited to submit to the Secretary-General of the Conference their opinions and proposals with a view to summoning a subsequent meeting.

(b) *Raw Materials.*

1. *Timber.* As useful negotiations are in progress discussion has been adjourned until the beginning of October 1933, when a further meeting may be arranged.

2. *Coal.* The competent organization of the League of Nations will follow this work and ensure that all interests have been safeguarded. The Council of the League of Nations is requested to call a Conference of the principal producing and consuming countries to examine the measures to be taken if this effort has not within six months given the desired results.

3. *Copper.* The Governments of the copper-producing countries are invited to submit before September 15 to the Secretary-General of the Conference their views and proposals concerning the organization of the production and international trade in copper, with a view to the summoning of a meeting to examine whether it is desirable and possible to conclude an agreement.

4. *Tin.* It has been recommended that the countries which are not members of the International Tin Commission should enter into negotiations with that Commission.

III. APPENDICES

APPENDIX 1

REPORT OF SUB-COMMISSION I: COMMERCIAL POLICY

(Revised text taking into consideration the observations of the Belgian, Estonian, Hungarian, Latvian, Lithuanian, Persian, Polish, and Union of Socialist Soviet Republics delegations.)

The terms of reference conferred upon the Drafting Committee of Sub-Commission I by the Bureau of the Conference are worded as follows:

‘In order not to lose the benefit of all the discussions which have taken place up to now in this Sub-Commission, we suggest that a Drafting Committee of this Sub-Commission should be appointed to embody in a report the different ideas and different points of view which have manifested themselves during the debates. This document will form a valuable basis when the discussion can be resumed.’

In accordance with these terms the Drafting Committee has prepared the following report:

I. *General Observations*

1. The Sub-Commission set up to study the problem of Commercial Policy has, in the course of its discussions, considered two fundamental questions:

- (a) Abolition and reduction of quantitative restrictions to the exchange of goods and progressive restoration of normal exchange;
- (b) Tariff policy and the most-favoured-nation clause.

2. It should be stressed at the outset that the hypothesis on which the whole work of the Sub-Commission was based was the stabilization, or at any rate the *de facto* stability, of currencies. When events showed that this hypothesis could not be realized, at any rate at the moment, several countries, in view of the fluctuations in the exchanges, deemed it necessary to reserve full liberty of action in the matter either of quantitative restrictions, or foreign exchange control, or customs tariffs.

Other delegations were of opinion that it would be expedient to endeavour to draw up a positive and constructive programme, indicating the measures which they were prepared to take in the sphere of commercial policy when stability had been achieved. This divergence of opinion made unanimous agreement impossible.

II. *Quantitative Restrictions to the Exchange of Goods*

All the delegations are agreed that these restrictions, whether direct or indirect, must disappear as soon as possible. Reservations have, however, been made by some delegations in regard to the maintenance of quotas for agricultural products, until such time as sufficient progress has been made in the international co-ordination of production. In this connexion, other delegations representing agricultural

countries declared that their countries could not abolish the import prohibitions imposed on manufactured articles, so long as other countries found it necessary to maintain restrictive measures on the import of agricultural produce.

Certain delegations have expressed the opinion that the maintenance or introduction of certain restrictions may be necessary as a means of carrying out concerted programmes for the co-ordination of production and marketing.¹

Various proposals have been submitted:

1. The unconditional and complete abolition within the shortest possible time of all import prohibitions and quotas and of any other arbitrary restrictions;
2. The concurrent abolition of import quotas and exchange control by the simultaneous conclusion of two general conventions, so framed as to establish a progressive parallelism between their effects;
3. The conclusion of a convention based on the text of the 1927 Convention for the Abolition of Prohibitions and Restrictions of Imports and Exports, so modified as to adapt it to present circumstances (in particular, a transitional system and a 100 per cent. quota system would be introduced);
4. The conclusion of an immediate truce to restrictive measures was also advocated.

The Sub-Commission began the study of a draft agreement of principle for the return to normal conditions of trade which was prepared on the basis of the discussions on this question. Consideration of this draft did not, however, go beyond the Preamble and the General Undertaking, the final text of which has not yet been determined (document Conf. M.E./C.E./Comité de Rédaction I and Addenda 1, 2, and 3), since certain delegations made their undertaking contingent not only upon the *de facto* stability of currencies, but also on the progress made in the restoration of the monetary and financial situation, and with regard to exchange control, the organization of the production of certain commodities, excessive tariffs, and indirect protectionism in its various forms.

¹ The Persian delegation would like to draw attention to the observations reproduced in document Conf. M.E./C.E.16. In this document, the Persian delegation stated that in view of the various circumstances, and especially in view of the economic régime which prevails in one of the neighbouring countries with which Persia has important commercial relations, the Persian Government has been forced to take adequate measures for the protection and development of its new industries and for the safeguarding of the vital interests of the country.

III. *Tariff Policy and the Most-favoured-Nation Clause*

A. *Tariff Policy.*

The problem of tariff policy has been discussed by the Sub-Commission.

The need and urgency of reducing excessive customs tariffs were unanimously admitted. Views differed, however, as to the best means of effecting this tariff disarmament.

It should be noted that some delegations held that, before tariffs are reduced, the present customs truce should be prolonged, but made stricter; that is to say, it should not be subject to the reservations which make it almost inoperative. Other delegations were opposed to this suggestion, being of the opinion that the truce favours countries which have hedged themselves round with a policy of exclusive nationalism.

With regard to the actual means by which the problem of tariff demobilization should be attacked, three different points of view have been voiced in the Sub-Commission.

- (1) A collective or general convention could alone attain the desired result;
- (2) Customs duties could only be lowered by the conclusion of bilateral treaties;
- (3) No method should be excluded; that of a general convention and that of bilateral treaties might be adopted concurrently.

Among the countries which are in favour of a collective or general convention, some consider that tariffs should be gradually reduced by uniform annual percentages (principle embodied in the Ouchy Convention).

Those delegations which recommend bilateral treaties, on the other hand, argue that a horizontal reduction of customs tariffs would not be equitable, since it would penalize countries with moderate tariffs and would take no account of the special situation of each country. It would also disturb the balance of the general system of customs tariffs.

B. *The Most-favoured-Nation Clause.*

This problem has also been studied by the Sub-Commission, especially from the point of view of the exceptions that might be allowed in order to make its application more elastic and better suited to present conditions.

There was a general opinion in favour of the maintenance of the

most-favoured-nation clause, in its unconditional and unrestricted form—naturally with the usually recognized exceptions—stressing the points that it represents the basis of all liberal commercial policy; and that any general and substantial reduction of tariffs by the method of bilateral treaties is only possible if the clause is unrestricted, and that this method would avoid the constant resumption of negotiations.

However, certain delegations manifested a strong tendency in favour of allowing new exceptions in addition to those hitherto unanimously admitted, on the ground that, although the unconditional and unrestricted most-favoured-nation clause does, under normal conditions, secure for trade the indispensable minimum of guarantees and prevents arbitrary and discriminatory treatment, if insisted upon with too great rigidity it may obstruct its own purposes in a period of crisis and difficulty such as we are now passing through.

As regards the nature of these exceptions, opinion differed very widely, and the following recommendations were made:

An exception in favour of collective conventions for the reduction of economic barriers, open to all countries;

An exception in favour of agricultural products;

An exception in favour of agreements arising out of historic ties between certain countries, subject to a favourable opinion by the Council of the League of Nations;

An exception in favour of agreements binding only those countries which undertake to accept a certain régime and to maintain a certain standard of living for their population;

An exception in favour of the agreements contemplated at Stresa and in favour of regional and collective agreements concluded under the auspices of the League of Nations;

An exception based on reciprocity and equitable treatment.

A request was also made to examine the possibility of special temporary agreements between creditor and debtor States in order that the latter might be enabled to discharge their debt services in goods.

The Sub-Commission has not had time to ascertain the views of the different delegations in regard to the above proposed exceptions.

Specific proposals on tariff policy have been submitted by the Cuban delegation (bases of a convention with a view to preventing tariff wars, document Conf. M.E.6) and by the Roumanian delegation (document Conf. M.E./C.E.57). Further, a draft Economic Charter

submitted personally and in his own name by M. Clavier, a member of the Persian delegation, has been distributed to the Conference at the request of the Persian delegation (document Conf. M.E.12).

IV. Other Proposals

The Soviet delegation has submitted two proposals, the first for a *Pact of Economic Non-Aggression* (document Conf. M.E./C.E.15) and the second regarding the question of *extending the import possibilities of various countries and of the conditions on which such extension would be possible* (document Conf. M.E.16).

The Economic Commission took note of these proposals and decided to place them on its agenda when the time came for the resumption of the work of the Monetary and Economic Conference.

The Czechoslovak delegation has proposed that the question of an international Customs agreement on wool should be examined, the delegation of Iraq has raised the question of the Customs treatment of dates (document Conf. M.E./C.E.72), and the Estonian, Latvian, and Lithuanian delegations have submitted to the Conference a draft resolution concerning the quantitative restrictions imposed on the import of agricultural produce (document Conf. M.E./C.E.107).

These two points have not yet been submitted to the Sub-Commission's consideration.

APPENDIX 2

REPORTS RELATING TO THE CO-ORDINATION OF PRODUCTION AND MARKETING OF THE FOLLOWING PRODUCTS:

- | | |
|----------------------|--------------|
| (a) Dairy Products ; | (f) Timber ; |
| (b) Sugar ; | (g) Coal ; |
| (c) Wine ; | (h) Copper ; |
| (d) Coffee ; | (i) Tin. |
| (e) Cocoa ; | |

(a) *Dairy Products: Resolution adopted by Sub-Commission II on July 18, 1933*

The Conference,

Considering the great importance of the production and exportation of dairy products in agricultural economy and universal economy ;

Considering the extremely serious situation of this branch of production ;

Considering that for the above reasons the delegations of several

countries deem it necessary for the Governments to constitute without delay an 'International Dairy Council' for the purpose of reducing competition between the countries exporting butter and other dairy products by co-ordinating production and marketing;

Considering, moreover, that, although certain institutions have already dealt and are dealing with this question, several delegations are nevertheless of opinion that it has not yet been sufficiently studied to allow of definite conclusions being drawn and, in particular, of an immediate solution of the problem being realized;

Requests the International Institute of Agriculture, in agreement with the International Agricultural Commission, the International Dairy Federation, and the Economic Committee of the League of Nations, to make a preliminary study of the question;

And invites the Governments of the various countries to send to the Secretariat of the League of Nations, before September 10 next, all the data at their disposal on this question, and in particular to inform it of their views on the constitution of an 'International Dairy Council', in order that the questions may be definitely settled at the next Session of the Conference.

(b) Sugar: Resolution adopted by the Sub-Commission

The Sub-Committee on Sugar, after taking note of the report submitted to it by the International Sugar Council on the results of the negotiations pursued up to the present with the various exporters and importers of sugar, thanks the Council for that report, and expresses the opinion that these results make it possible to contemplate the conclusion of a general agreement on the production and marketing of sugar.

It requests the Bureau of the Conference to keep in touch with the International Sugar Council, and to take the steps necessary for the continuation of negotiations with the countries concerned, in particular with a view to obtaining replies, as soon as possible, from the countries whose attitude it has not so far been possible to ascertain.

It will be for the Bureau of the Conference, when it thinks it expedient, to summon a further meeting of the countries concerned in order to bring about the conclusion of a general agreement.

(c) Wine: Resolution adopted by the Sub-Commission

While some members hold that the recommendations and resolutions embodied in the Memorandum of the International Wine Office should be carried into effect as soon as possible, especially those

concerning the reduction of excessive customs duties and of internal taxes and dues levied on wine, the abolition of obstacles in the way of international trade in wine, the extension of credit facilities for wine production, the protection of appellations of origin and the development of the distillation of surplus wine ;

The Sub-Commission agrees that in the present state of affairs it is essential that its field of action should be limited to measures capable of immediate realization.

I

The Sub-Commission notes with interest that it is the intention of wine-growing countries, in order to encourage the consumption of wine and grapes throughout the world, to organize propaganda first in the producing countries to increase national consumption, and then in countries which have hitherto consumed little or no wine, more particularly by showing the nutritive health and medicinal value of wine and grapes, by promoting the consumption of fresh and dried grapes, juices, syrups, grape-sugar, and concentrated must in Moslem countries, and by preparing for the opening of new markets, chiefly in Africa and Asia. These are measures well adapted for private initiative, and wine-growers and dealers are invited to make the necessary efforts in this direction.

The Sub-Commission also notes with interest the efforts made in this direction in wine-growing countries by governmental action and particularly by the creation in those countries of national wine propaganda committees.

Similarly, the extension of the consumption of dessert grapes is contemplated, and the establishment of an annual international grape festival in the autumn is advocated, as well as the creation in every country of grape centres or grape cure resorts.

II

Other measures are matters for the initiative of Governments. Thus it is for each country to put a stop to the excessive expansion of vineyards throughout the world, resulting since the beginning of the century in an increase of the world's vineyards by 600,000 hectares and in a production exceeding that of 1900 by 32 million hectolitres.

All Governments are invited to take within their own frontiers any steps that may be necessary, having regard to the extent to which their national vineyards have unduly increased, and taking

into account the wealth already built up in districts where the extension of the vine zone has not assumed dangerous proportions. For this purpose, Governments should embody in their laws measures for the establishment of official statistics showing the area of their vineyards and the yield of the annual harvest of wine and grapes, and, finally, should require producers to submit an official and compulsory statement of their harvests.

The Sub-Commission is of opinion that it is for the different Governments of the countries concerned to encourage viticultural co-operation as an effective means of enabling wine-growers to improve their wine and ensure its preservation.

It is also recommended that measures should be enacted by each wine-growing country to improve the quality of the wine produced, both by the selection of vines and by the establishment of a fairly high minimum for the alcoholic strength of wine.

III

Lastly, and this is a point the Sub-Commission desires to stress, some of the resolutions in the memorandum of the International Wine Office could be given immediate concrete effect, because they are such as to be capable of acceptance by the Governments represented at the London Conference.

To this end it submits to the Governments the following proposals:

A. Uniform Presentation of the Results of Analyses of Wines.

The Sub-Commission recommends that an International Commission be summoned on which each of the countries concerned should be represented by two qualified wine chemists, who would jointly prepare a complete and definitive text for notation and the determination of the methods to be employed in order to show both falsifications and the quality of wine.

B. International Convention for the Protection of Wines.

The Sub-Commission recommends the conclusions of an international convention whereby the interested States would undertake to supplement, in so far as they have not already done so, their internal legislation for the purpose of ensuring joint and effective action against fraud in the matter of wines.

Such legislation should deal, in particular, with (1) The prohibition of watering and the use of false descriptions of wine; (2) Regulation of sweetening; (3) Compulsory declaration of harvests; (4) Super-

vision of the production, circulation, sale of and the trade in wines, which must fulfil conditions laid down by law; (5) Measures to be taken in the event of infringement of the regulations enacted.

C. International Convention concerning the Institution of Annual Inquiries into the Composition of Wines and the Constitution of Wine Indexes.

The Sub-Commission recommends the conclusion of an international convention whereby the interested Governments would undertake (1) To protect producers of wine, which is natural but abnormal in its composition, from unjustifiable prosecution, by affording them means of demonstrating their good faith by producing authentic records; (2) To set up as complete analytical records as possible which, while giving chemists and laboratories entrusted with the suppression of fraud reliable bases for establishing their conclusions, shall also constitute valuable material which may be available to oenologists of all countries.

D. International Conventions upon Customs Nomenclature.

The Sub-Commission invites States represented at the London Conference, to whom the draft unification of Customs Nomenclature prepared by a Committee of experts appointed by the Economic Committee of the League of Nations has been submitted, to expedite the consideration of the articles of this Nomenclature which deal with wine.

IV

With a view to enabling the above resolutions to be eventually put into effect, the Sub-Commission proposes that the International Wine Office be asked to follow, with the co-operation of the Economic Committee of the League of Nations and the International Institute of Agriculture, the various points of the programme drawn up, in order to make it possible, if necessary, to co-ordinate the work done with the various Governments.

(d) Coffee: Resolution adopted by the Sub-Commission

The Sub-Committee on Coffee of the Monetary and Economic Conference, having studied the proposals submitted by the Brazilian delegation on the co-ordination of production and marketing of coffee, and

- (a) Considering that coffee is one of the commodities of great importance for international trade;

- (b) Considering also that its production has in recent years been greatly in excess of consumption, as revealed by the present position of world stocks and level of prices:

Is of opinion that coffee is one of the commodities as regards the production and marketing of which the desirability and practicability of concerted international action, in the terms of the decision taken (document Conf. M.E./C.E.33), ought to be further considered;

And for this purpose, recommends that the exporting countries should examine the possibility and the practical manner of regulating their production and supply, as well as the possibility and the practical manner of approaching the importing countries in order to obtain greater facilities for the stimulation of its consumption, by the removal or attenuation of present restrictions or commercial barriers of any kind.

In view of the impossibility of further examination of the subject during the present stage of the Conference, and in order to provide the basis for future discussion, it is proposed that any suggestions or proposals of coffee-exporting countries for the co-ordination of production and marketing of coffee and possibly for the organization of some international body, should be submitted to the Secretary-General of the Monetary and Economic Conference for distribution among, and examination by, the other exporting countries.

(e) Cocoa: Resolution adopted by the Sub-Commission

The Sub-Committee expresses the desire that the situation of the cocoa market should be duly studied, taking into account the present production and consumption and the existing stocks of the various qualities, which it is impossible to do before the early adjournment of the Conference.

The Sub-Committee, therefore, invites the chief cocoa-producing countries to study this question and to submit to the Secretary-General of the Monetary and Economic Conference, as soon as possible, their views and proposals, with a view to the summoning of a meeting of experts qualified to study the organization of, the production of, and the international trade in raw cocoa.

Further, it invites the States interested to take the necessary measures to study the means of combating diseases of the cocoa plant in collaboration with the International Institute of Agriculture in Rome.

(f) Timber: Resolution adopted by the Sub-Commission

The Sub-Committee on Timber,

Recognizing the importance of maintaining a balance between supply and demand on the timber market;

Desirous of encouraging international collaboration with a view to improving the conditions of the timber market;

Taking note of the declarations formulated on this subject by the delegations of the different countries represented at the Conference;

Being of opinion that the efforts made to bring about collaboration between the chief timber-exporting countries, by the formation of groups and by agreements between groups, should be pursued and supplemented, by agreements with the importing countries which would take account of all the interests involved;

And noting that negotiations are now proceeding in regard to such agreements for the export of soft wood, sawn or planed:

Decides to postpone its discussions until the beginning of October 1933, so as to allow the different countries to study the possibility of framing and possibly concluding such agreements, and in the meantime to collect the whole of the statistical information required, through the International Timber Committee.

The Sub-Committee is further of opinion that each country, acting in concert with the League of Nations and the International Institute of Agriculture, should organize rational statistics of the production of, and international trade in, timber.

(g) Coal: Resolution adopted by the Sub-Commission

In view of the importance of the coal problem for world economy, the Conference invites:

(1) The principal producers to endeavour to organize coal production on an international basis, on the understanding that the agreements to be reached shall be followed and supplemented, if necessary, by agreements with the importing countries;

(2) The competent organizations of the League of Nations to follow the above efforts and to ensure that all interests involved shall be safeguarded, in particular those of the importing and consuming countries. For this purpose, the Sub-Committee entrusted by the Economic Committee of the League of Nations with the study of the coal problem might again be convened;

(3) The Council of the League of Nations to convene a conference of the principal producing and consuming countries to study what measures should be taken if the results referred to in paragraph (1)

or (2) above have not been achieved within a time-limit of six months.

(h) Copper: Resolution adopted by the Sub-Commission

The delegation of the United States of America calls attention to the desirability of considering plans for the co-ordination by international agreement of the production and marketing of copper, which was included among the products mentioned in the proposal made by the French delegation on June 19 (document Conf. M.E./C.E.8). In order to provide the basis for the future discussion of plans for the co-ordination of production and marketing of copper, further preliminary studies should be made. Accordingly, it is proposed that the Governments of the copper-producing countries submit to the Secretary-General of the Monetary and Economic Conference, before September 15, 1933, their views and proposals concerning the organization of the production of copper and of the international trade in this product, with a view to the summoning of a suitable meeting to examine whether it is possible and expedient to conclude an agreement.

(i) Tin: Report adopted by the Sub-Commission

1. The Sub-Committee has examined the existing international scheme for the control of tin, to which it is suggested that such countries as now produce the metal in appreciable quantities, and are not at present participants in the scheme, should adhere. Discussion did not elicit any substantive criticisms of that scheme; no suggestions were made for its amendment; no alternative methods of control were proposed.

2. The Sub-Committee consider that the existing scheme of control is framed upon sound lines; that it is in accord with the principles which have been accepted by this Conference as those which should govern the framing of plans for the co-ordination of production and consumption; that it has worked smoothly in actual practice for a period of over two years; and that it has been largely successful in achieving its main objectives.

3. In the course of the discussion, the Chairman of the International Tin Committee, which has been responsible for the working of the scheme (under the direction of the Governments signatory to it), emphasized that it had been consistently mindful of the interests of the consuming countries. It was no part of the Tin Committee's policy, or the policy of the Governments they represent, to force up the price of tin unduly. The scheme does not attempt to regulate or

control prices, except indirectly by adjusting production to demand, and by making a reasonable provision for the reduction of admittedly excessive stocks. The International Committee have, however, at hand two most powerful weapons which can be used to prevent prices from rising unduly. The first is the International Tin Pool, which works in close *liaison* with the International Tin Committee, and which held on July 1 a stock of 20,000 tons of tin (as compared with a total visible supply of tin of approximately 47,000 tons). Tin is released from this pool in accordance with a sliding scale of quantities and prices. This scale has been settled in accord with the signatory Governments, and cannot be changed except by agreement between the pool and these Governments. Releases of the quantities fixed by this scale, at the varying price levels, are obligatory.

The second weapon is the power which the International Committee possesses, in agreement with the signatory Governments, of raising the quotas of production, as may appear from time to time necessary. The Committee has, it is understood, hitherto based its recommendations as to the suitable production quota at any given period solely with reference to the balance between production and consumption, and to the extent to which stocks were being drawn upon. But the Sub-Committee understand that the International Committee would be prepared to recommend an increase of the quotas, even where this was not justified by the considerations stated above, if they were of opinion that this was necessary in order to prevent an undesirable price rise. The Sub-Committee appreciate the force of the contention that pool releases, until the pool is liquidated, and thereafter the power to adjust the quotas, provide a machinery which is adequate to protect the interests of consumers.

They are satisfied, from statements made by the Chairman of the International Committee, that that Committee is fully aware of the undesirability of permitting the price to rise unduly, and that the signatory Governments are also in accord on this point. Moreover, it is the interest of the producing countries to increase their production quotas whenever the situation permits.

4. The existing control scheme, in which the Governments of Bolivia, Nigeria, the Netherlands East Indies, Siam, and the Federated Malay States participate, will probably terminate towards the end of 1933, and will, in any event, end early in August 1934. Negotiations for the conclusion of a new three-year agreement, generally similar to that in force, are now taking place.

5. One of the major factors in determining whether such an agreement can be effected will be the attitude of the countries which

produce tin, but do not participate in the existing agreement. The Sub-Committee are impressed by the argument, advanced by the International Tin Committee, (a) that it is equitable that all producing countries should join in the scheme of control, inasmuch as all benefit from the operation of that scheme, and (b) that the breakdown of the control scheme would, in existing conditions, involve the very gravest difficulties, and might easily mean disaster for the industry, the potential producing capacity of which is at present roughly double the recent rate of consumption. All tin-producing countries are vitally interested in the continuance of the scheme of control, until such time as consumption approximates closely to the potential production now in sight. Their adhesion to the scheme is desirable, not only in order to ensure the conclusion of the new agreement for three years, but also to prevent the imminent possibility that, owing to the probable effect of the recent rise of price in stimulating production in areas not now under control, the new agreement, even if concluded, may have to be abandoned owing to production in the non-controlled areas exceeding twenty-five per cent. of the estimated world production. A clause on these lines will, it is understood, be inserted in the new agreement which may be arrived at. When the uncontrolled production reaches that limit, any Government may abandon the scheme; and the other signatories may at once follow suit.

6. In view of the preceding consideration, the Sub-Committee are of opinion that all the countries which now produce the metal in appreciable quantities not at present participating in the control scheme should be asked to enter into negotiations with the International Tin Committee in order to secure, if possible, the adhesion to the scheme on the basis of a flat rate quota, fixed with due regard to the special circumstances of each country. They suggest that, during these negotiations, the following broad general directives should be kept in view:

(a) In determining the initial flat rate, the basis of negotiation should normally be the level of production attained during the year 1932. It is recognized, however, that owing to special circumstances such a rate may operate inequitably, as, for example, where the production in recent years has been steadily increasing, or where production has only begun recently, or where equipment has recently been installed which would result in a material increase in the output. In such cases, the flat rate would have to be increased, to some point to be determined by negotiation.

(b) Provision should be made for the increase of the original flat

rate, from time to time, so as to correspond reasonably with such quota increases as may be agreed upon by the signatory countries to the control scheme.

(c) As a basis upon which to regulate such increases over the original flat rate, a standard tonnage should be fixed for each country. The fixation of this tonnage will clearly be a matter for negotiation. It is suggested that the standard tonnage should not normally exceed the maximum production attained in any one year during the past ten years; but it is recognized that, in the class of cases mentioned in paragraph (a) above, this condition would be unsuitable, and a standard tonnage in excess of this would have to be adopted.

(d) It is suggested that when the initial flat rate has been fixed, the country should remain on that rate until the rate bore the same proportion to the standard tonnage as the then existing quotas for the signatory countries bore to their standard tonnages. Thereafter, with increases of the quotas for the latter, the rate for the adhering country would move up, relative to the standard tonnage, *pari passu* with that of the signatory countries.

7. The Sub-Committee recommend that, in order to facilitate the discussions referred to in paragraph 3 above, the Governments of the Union of South Africa, Australia, Belgium, the United Kingdom, China, France, India, Japan, Mexico, and Portugal, should be requested to nominate a representative who would be authorized to enter into negotiations with the International Tin Committee, or with the Chairman of that Committee, with the object of determining a suitable initial flat rate, a standard tonnage, and a method for the variation of the initial flat rate corresponding to quota increases in the signatory countries.

8. The Sub-Committee attach great importance to very early action being taken in this matter. The negotiations for the new three-year control agreement, upon the successful conclusion of which the future of the industry in all tin-producing countries so essentially depends, cannot be completed until the signatory countries are aware of the measure of support which they will receive from those Governments which do not at present participate in the scheme. On the other hand, the circumstances are such that any new agreement must be arrived at before the close of the current year. The matter is therefore urgent; and the Sub-Committee trust that each delegation will do all that lies in their power to expedite a rapid decision, in so far as their respective Governments are concerned.

APPENDIX 3

REPORTS RELATING TO MEASURES OTHER THAN CUSTOMS DUTIES
AND PROHIBITIONS

(a) Indirect Protectionism in General; (b) Veterinary and Phytopathological Questions; (c) Marks of Origin.

(a) *Report by Sub-Commission III B: Indirect Protectionism in General.*

I

The Sub-Commission submits the following resolution for adoption by the Conference:

With a view to the general application of the principle of equitable treatment and friendly co-operation, which, in the opinion of the Conference, constitutes the best means of overcoming the constant difficulties arising out of indirect protectionism:

The Sub-Commission proposes that the Governments participating in the Conference consider the advisability of incorporating into future or existing treaties, wherever such action may be deemed to be suitable, a clause in the sense of the following:

'If, subsequent to the conclusion of the present treaty, one of the Contracting Parties introduces any measure, which, even though it does not result in an infringement of terms of the treaty, is considered by the other Party to be of such a nature as to have the effect of nullifying or impairing any object of the treaty, the former shall not refuse to enter into negotiations with the purpose either of an examination of proposals made by the latter or of the friendly adjustment of any complaint preferred by it.'

It shall be understood that the obligation provided for in the previous paragraph does not apply to customs tariffs or to questions specifically settled in other parts of the treaties in operation.

II

In order to facilitate the application of the above provision, the Sub-Commission further recommends that the Conference should draw the attention of States parties to the Convention of November 3, 1923, concerning the simplification of customs formalities, to the need of strictly observing the provisions contained in Articles 4 to 6 of that Convention and that it should invite States not parties to that Convention to conform to the principles embodied in those articles, the text of which is annexed to the present report.

III

Lastly, the Sub-Commission is of opinion that, as regards certain questions relating to indirect protectionism, especially questions of customs formalities (see documents Conf. M.E./C.E.28, 32, and 54), the work of the Economic Committee of the League of Nations is sufficiently advanced to allow of the convening of a special conference on these matters at an appropriate date.

SUB-APPENDIX

*Text of Articles 4 to 6 of the International Convention relating to the Simplification of Customs Formalities, concluded at Geneva on November 3, 1923.*¹

'Article 4

'The Contracting States shall publish promptly all regulations relating to Customs and similar formalities and all modifications therein, which have not been already published, in such a manner as to enable persons concerned to become acquainted with them, and to avoid the prejudice which might result from the application of Customs formalities of which they are ignorant.

'The Contracting States agree that no Customs regulations shall be enforced before such regulations have been published, either in the *Official Journal* of the country concerned, or through some other suitable official or private channel of publicity.

'This obligation to publish in advance extends to all matters affecting tariffs and import and export prohibitions or restrictions.

'In cases, however, of an exceptional nature, when previous publication would be likely to injure the essential interests of the country, the provisions of the second and third paragraphs of this Article will lose their obligatory force. In such cases, however, publication shall, so far as possible, take place simultaneously with the enforcement of the measure in question.

'Article 5

'Every Contracting State whose tariff has been modified by successive additions and alterations affecting a considerable number of articles shall publish a complete statement, in an easily accessible form, of all the duties levied as a result of all the measures in force.

'For this purpose all duties levied by the Customs authorities by reason of importation or exportation shall be methodically stated, whether they are Customs duties, supplementary charges, taxes on

¹ The text of this Convention is reproduced in League document C.678(1). M.241(1).1924.II.

consumption or circulation, charges for handling goods or similar charges, and in general all charges of any description, it being understood that the above obligation is limited to duties or charges which are levied on imported or exported goods on behalf of the State and by reason of clearing goods through the Customs.

‘The charges to which goods are liable being thus clearly stated, a clear indication shall be given, in the case of taxes on consumption and other taxes levied on behalf of the State by reason of clearing goods through the Customs, whether foreign goods are subject to a special tax owing to the fact that, as an exceptional measure, goods of the country of importation are not or are only partially liable to such taxes.

‘The Contracting States undertake to take the necessary steps to enable traders to procure official information in regard to Customs tariffs, particularly as to the amount of the charges to which any given class of goods is liable.

‘Article 6

‘In order to enable Contracting States and their nationals to become acquainted as quickly as possible with all the measures referred to in Articles 4 and 5 which affect their trade, each Contracting State undertakes to communicate to the diplomatic representative of each other State, or such other representative residing in its territory as may be designated for the purpose, all publications issued in accordance with the said Articles. Such communication will be made in duplicate and so soon as publication is effected. If no such diplomatic or other representative exists, the communication will be made to the State concerned through such channel as it may designate for the purpose.

‘Further, each Contracting State undertakes to forward to the Secretariat of the League of Nations, as soon as they appear, ten copies of all publications issued in accordance with Articles 4 and 5.

‘Each Contracting State also undertakes to communicate, as soon as they appear, to the “International Office for the Publication of Customs Tariffs” at Brussels, which is entrusted by the International Convention of July 5, 1890, with the translation and publication of such tariffs, ten copies of all Customs tariffs or modifications therein which it may establish.’

(b) *Veterinary and Phytopathological Questions: Resolutions adopted by Sub-Commission III B*

I. The Sub-Commission is of the opinion:

- (1) That a resolution should be adopted affirming the desire of all the countries represented at the Conference that, in accordance

with the opinion of a number of Governments and with a Resolution of the Assembly of the League of Nations, there be convened as soon as possible an international diplomatic conference of all the importing and exporting countries concerned, which would take as the basis of its work the three draft International Conventions relating respectively to the combating of contagious diseases of animals, the transit of animals, meat, and other animal products and, finally, the exportation and importation of animal products, other than meat, &c., and that the Council of the League of Nations be requested to fix the date of the said Conference at its next Session ;

- (2) That it is desirable to request the Economic Committee of the League of Nations to examine, with the co-operation of a body of special experts, and taking into account the conclusions of the International Institute of Agriculture at Rome (1928) and the 'Institut international du Froid' (1932), the whole series of problems relating to the importation and exportation of fresh and preserved or prepared meat ;
- (3) That the veterinary work in connexion with the export and import of cattle should be continued on the basis of the General Report of the Sub-Committee of Experts on Veterinary Police Measures, and that the necessary supplementary studies should be begun with a view to laying down the principles for a better regulation of the trade in cattle, and to arriving, if possible, at an international agreement on this subject.

II. (a) The Sub-Commission considers that it is desirable to ask the International Institute of Agriculture at Rome :

To study, with the collaboration of the Economic Committee of the League of Nations, the scientific and technical questions involved in the control of the importation and exportation of plants and other vegetable products ;

To procure the assistance for that purpose of specially qualified experts representing importing countries as well as exporting countries ;

And lastly, to submit for the consideration of Governments the general principles, worked out in the course of the study, by which they should be guided in drafting the regulations to be enforced.

(b) The Sub-Commission considers that it would be desirable to ask the International Institute of Agriculture at Rome to devote special attention to, and stimulate research into the means for, the prevention and cure of cocoa diseases, if possible on the spot, in territories where such diseases are rife.

III.¹ The Sub-Commission is of opinion that it is desirable that the Governments represented at the Conference should declare that they are prepared:

- (1) To consult, whenever practicable, the Governments of the countries concerned before applying new sanitary measures of control or supervision in the international trade in cattle and in animal or vegetable agricultural products;
- (2) To enter into discussions at any time, at the request of an interested Government, with regard to the administration of existing measures.

(c) Marks of Origin: Report adopted by Sub-Commission III B

The increasing number of measures providing for the imposition of marks of origin upon imported goods has given rise to many complaints. For this reason the Economic Committee of the League of Nations, after convening in April, 1931, a Committee of Experts, submitted a report and conclusions (document C.427.M.177.1931.II.B), designed to remove so far as possible grounds for such complaints; the report and conclusions were approved by the Council and communicated to all members of the League of Nations with a recommendation to comply therewith.

Later, the Preparatory Commission of Experts included the question of marks of origin in the draft Agenda of the Conference (document C.48.M.18.1933.II, page 26).

The question was directly brought before Sub-Commission III B by a proposal of the German delegation supported by the Belgian, Netherlands, and Czechoslovak delegations (document Conf.M.E./C.E.18). The essential object of this proposal was threefold: a truce in the sense of an agreement not to introduce new provisions, mitigation of existing provisions, gradual abolition of laws concerning marks of origin. In order to facilitate discussion the question was dealt with in a note by the Secretariat (document Conf. M.E./C.E.27), which was distributed by the Commission at the request of several delegations.

It is this last note that was taken as the basis of its work by the Drafting Committee which was set up on June 27, 1933; this Com-

¹ Note.—The German delegation, whilst recognizing the desirability of adopting the principles enumerated under paragraph III, declares, however, that Germany could not conform to these principles in general so long as no permanent and satisfactory measures against contagious diseases of animals and plants are guaranteed either by collective conventions or by bilateral agreements.

mittee consisted of M. Suetens (Belgium), Chairman, and members of the German, United Kingdom, French, Netherlands, and United States delegations. Its terms of reference were to prepare a draft agreement. In the course of its work a proposal was submitted to it by the Belgian and Netherlands delegations, supported by the German delegation. Its effect was essentially to convert into a draft agreement, involving obligations for the Contracting Parties, the conclusion of the report of the League of Nations Economic Committee to which reference has already been made. Draft agreements by the United Kingdom, French, and United States delegations were also submitted to the Drafting Committee. Observations from the Chinese and Japanese delegations (documents Conf. M.E./C.E.76 and Conf. M.E./C.E.91) were similarly received. Moreover, the Italian delegation also took occasion to bring its views to the knowledge of the Drafting Committee.

Although it is not in a position to submit a unanimously accepted text, the Drafting Committee unanimously agrees that the laws and regulations on the marking of goods should not be of such severity as to hamper trade, and considers that appreciable progress in the matter could be made by means of an international agreement.

Although the Committee was unable to reach complete agreement on all the points referred to it for examination, unanimity was nevertheless arrived at with respect to a certain number of questions, and the discussions on the other problems encouraged the hope that further agreement might be reached at a later stage.

The Drafting Committee feels that the above considerations afford substantial grounds for requesting the Bureau of the Conference to ensure the continuation of its work on marks of origin in such manner as it may deem appropriate.

For purposes of information the points upon which the Committee is agreed are stated below:

- (1) In the application of their laws and regulations on marks of origin, States must refrain from any discrimination as between the goods of one foreign country and another.
- (2) The laws and regulations on the marking of goods must not have the effect of damaging the goods.
- (3) Effective publicity must be given to all provisions relating to the marking of goods. So far as possible, reasonable time must be allowed to those concerned prior to the putting into force of any new measures.
- (4) It must always be possible for persons deeming themselves injured by the action of the authorities responsible for the

application of the laws and regulations relative to the marking of goods to institute proceedings for redress.

- (5) It is desirable to explore the practicability of a simplified and uniform nomenclature for the indication of the country of origin.

The Committee did not discuss the text of the clauses embodying the above principles. As already stated, various drafts had been prepared. They were deposited with the League Secretariat and may serve as a basis of future discussion.

On the other hand, no agreement has been reached on the following points:

- (1) Stage at which the mark of origin shall be required.

Some countries are of opinion that, in principle, the mark should only be required when the goods are offered for sale; others consider that it should be required at the time of importation.

- (2) Procedure to be followed when new marking requirements are being proposed.
- (3) Penalties for infringement of any law regarding marks of origin.
- (4) Adjustment of disputes regarding the interpretation of conventional stipulations relating to marks of origin.
- (5) Truce in regard to marks of origin and gradual abolition of existing measures.
- (6) Provision for exemption from marking requirements as regards certain categories of goods.

Nevertheless, certain delegations agreed in principle as to exemption from marking requirements in the following cases:

- (1) Goods in transit;
- (2) Goods in bond;
- (3) Samples;
- (4) Wrapping, when the goods themselves are marked and are normally sold unwrapped; or the goods themselves when they are normally sold in their wrappings and when the latter are already marked according to the law;
- (5) *Objets d'art*, valuable or fragile articles;
- (6) Goods intended for the personal use of the importer, his factory or business, and not intended for sale;
- (7) Packing material, containers, spools, boards, labels, &c., and in general all imported articles used exclusively for packing, containing, wrapping, &c., the products of the importing country;

- (8) Raw material to be used for industrial purposes or to be manufactured or finished in the importing country.

APPENDIX 4

SUBSIDIES AND BOUNTIES: REPORT ADOPTED BY SUB-COMMISSION III A

1. This Sub-Commission was appointed by the Economic Commission on June 22 for the purpose of considering bounties and direct and indirect subsidies, and in particular, shipping subsidies.

2. The following countries were represented on the Sub-Commission: Germany, United Kingdom, United States of America, France, Finland, Greece, Irish Free State, Italy, Japan, Norway, Netherlands, Switzerland, Czechoslovakia.

3. The Sub-Commission has held five meetings.

4. It was decided at the outset of the Sub-Commission's deliberations that agricultural subsidies could not be excluded from its scope.

5. For the purpose of discussion at the Sub-Commission's second meeting the *Italian* delegation submitted a list of subjects (enumerated in document Conf. M.E./C.E.30), and in presenting the list stressed particularly its view that any useful examination of the subject was subordinate to monetary stabilization.

6. The *French* delegation also stressed the fact that, in their view, the restoration of monetary stability was an essential condition precedent to any practical reduction in the amount of bounties and subsidies.

7. The *United Kingdom* delegation submitted as their contribution to the list of subjects to be discussed, 'financial assistance, direct or indirect, given by Governments for ship construction and ship operation'; and it was decided at a subsequent meeting of the Sub-Commission that shipping subsidies should be the first subject to be considered.

8. Several delegations emphasized the inter-dependence of all forms of State assistance, and consequently the importance of a general discussion of the whole problem. The *Italian* delegation in particular stressed the need of a simultaneous study of all forms of subsidy embraced in State assistance, since in its view subsidies were not the cause but a consequence of the crisis.

9. It was agreed that, at any rate at the outset, subsidies from *other than Government sources* should be excluded from the Agenda and that delegations should define more precisely the subjects they wished to discuss.

10. As a result of the above decisions the proposals submitted by

the different delegations fell under two heads: (a) those dealing with the general question of bounties and subsidies, and (b) those dealing more particularly with shipping subsidies.

A. *Subsidies in General*

11. The *German* delegation drew attention to the admitted fact that, unless normal conditions are re-established in the international circulation of goods and capital, no country could be expected to abolish measures which it had taken for the defence of vital interests. It was, therefore, only natural for a State to take the measures which it thought necessary for the maintenance and restoration of economic life within its borders, such measures being necessary mainly to protect its agriculture and with a view to reinstating the unemployed in industry and production. These measures are, moreover, in the interests of other countries, since they are directed towards increasing purchasing power.

The Sub-Commission must, therefore, exclude from its deliberations all measures which, without directly affecting the interests of other countries, sub-serve the *natural* reconstruction of the national economic system, and should only consider measures of support which give to production an *artificial and unnatural* advantage at the expense of foreign competitors.

The German delegation, which on this point associated itself with the view expressed by the Italian delegation, considered that subsidies were only a kind of protectionism, and that their abolition could only form part of the economic and financial action necessary for the revival of world economy.

Accordingly, the German attitude depends upon how far other countries are prepared and in a position to abolish for their part the measures which they have taken. It is necessary to examine what measures taken by one country have produced counter-action in another country, and only after such examination would it perhaps be possible to conclude that the abolition of these subsidies in all the countries concerned was a proper subject of international agreement (see document Conf. M.E./C.E.38, June 28, 1933).

12. The *French* delegation declared that it attached the greatest importance to the study of measures to be taken for the *abolition or restriction of Government subsidies and bounties* to trade and commerce. It was, in its view, essential to enforce equitable conditions in commercial transactions at the earliest possible date.

In view of the difficulty of prohibiting particular forms of Govern-

ment subsidies, the best prospect of success lay in attacking the causes of the depression directly and not its effects.

The French delegation held that a distinction must be drawn between bounties and subsidies for *production* on the one hand, and bounties and subsidies for *export* on the other. The former might be justified by the need of obviating the dangerous social consequences which the disappearance or stoppage of particular industries or undertakings might bring about. In so far as they affected the national economy only, they could not properly form the subject of international agreements.

It was, on the other hand, right for the Conference to take cognizance of export bounties and subsidies.

On this point the French delegation considers that the ideas set forth in the Secretariat's Note (document Conf. M.E./C.E.28) deserve close attention. It is prepared, in the event of the Conference failing to arrive at any satisfactory *general formula*, to consider, within narrower limits, the possibility of including *model clauses*, on the lines suggested by the Secretariat, in bilateral or multilateral agreements, with a view to eliminating in practice export bounties and subsidies. It is further prepared to examine any *arbitration* procedure which may tend to establish between all countries equitable treatment in commercial relations (see document Conf. M.E./C.E.43 of June 29, 1933).

13. The *Finnish* delegation (document Conf. M.E./C.E.38) observed with regard to the subjects included in the Italian list that, while the abolition of export bounties was one of the conditions for the regularization of international trade, reservations had to be made in the case of drawbacks of duty on goods exported, export credits, and railway rates for export.

14. The delegation of the *Irish Free State* considered that any international agreement which aimed at the reduction or abolition of subsidies should not apply to subsidies paid with a view to offsetting the effects of discriminatory tariffs, prohibitions, or restrictions imposed on the products of a particular country, and that, in the framing of such an agreement, provision should be made to take account of the position of States which are still at an early stage of their industrial evolution (see document Conf. M.E./C.E.38 of June 28, 1933).

B. *Shipping Subsidies*

15. The delegations of *Norway* and the *Netherlands* submitted a joint memorandum (document Conf. M.E./C.E.60), which contains the proposal that a definite agreement be concluded providing for

the abolition, at the earliest moment, of all shipbuilding and shipping subsidies other than such as may be necessary to a State for the maintenance of its sea communications on particular routes, and the promotion of particular trades in which the State has special interests.

The two delegations based their arguments in support of this proposal on the following general grounds:

- (a) Conditions in the shipping industry cannot be sound, so long as an uneconomic policy of Government subsidies continues.
- (b) International trade requires ocean transport supplied by shipbuilding and shipbuilding industries working on an economic basis.
- (c) In view of the disastrous loss of equilibrium between world tonnage and world traffic which has resulted from the policy of subsidies, the only alternative to the re-establishment of the industries on an economic basis must, in the view of these delegations, be the grant of further subsidies under all flags, until ocean transport ceases to be competitive.
- (d) Non-competitive services could not satisfy the varying demands of international trade and would be a heavy burden on the national exchequers. They would create a formidable barrier to international trade.

The Norwegian delegate stated that *Denmark* and *Sweden* supported the above proposals in principle.

16. The *French* delegation was of opinion that special cases exist in which national protection of a mercantile marine may be justified and must be regarded as legitimate, but that it cannot be justifiable to practise a policy of uneconomic bounties and subsidies. It proposed that the Conference:

- (1) Should explore the ways and means of regulating the practice of granting bounties, subsidies, or indirect advantages, whether open or concealed, to shipping;
- (2) Should draft an international convention.

The French delegation observed further that on the great international steamship routes there had sprung up a ruinous and futile struggle between national flags, which took the form of a constantly increasing competition in tonnage and speed, and of a dangerous rate war which was a menace to the budgets of both shipowners and States.

It proposed that the Conference

- (1) Should advise States urgently to invite the shipowners of the countries concerned to conclude international agreements for

the operation of the great ocean routes under multilateral contract and to limit the tonnage of future construction, the Governments reserving the right to supervise the execution of such agreements ;

- (2) Should suggest the joint operation, subject to the retention of the national flags, of the vessels mentioned in the agreements, and the determination of routes, time-tables, and international rates, regard being had to the tonnage, speed, and comfort of the boats named in the contract ;
- (3) Should point out that the best practical method of control was to introduce a joint account covering the whole of the working receipts and expenses.

17. The *Finnish* delegation (document Conf. M.E./C.E.38) supported the Norwegian and Netherlands proposals, since they considered it to be of the utmost importance for international maritime traffic that the equilibrium between supply and demand, which had been disturbed by measures taken by States to assist shipping, should be re-established.

18. The *Greek* delegation proposed that the following points should be discussed as constituting indirect advantages in some cases :

- (1) Flag discrimination on the premiums charged for cargo insurance ;
- (2) Flag discrimination on the freight market.

They also proposed that there should be international agreement as to the age limit of ships and the reduction of tonnage by laying up or scrapping.

19. The *United Kingdom* delegation submitted a memorandum, which is reproduced in full in the Annex. They stressed the importance of reducing trade barriers to international commerce, such as tariffs, import restrictions, subsidies, &c., the vital need of economic disarmament in relation to the exchange of goods and services being at least as great in the case of shipping as in the case of other services. International trade and commerce needs for its development the most efficient and cheapest sea transport it can get, and this need was met for many years before the War by the policy of maritime nations, which was in general such as to secure a freight market open to ships of all flags and free from artificial measures intended to promote the interests of vessels under particular flags. Since the War, the practice of subsidizing shipping on competitive routes has altered those conditions.

The effect of uneconomic shipping subsidies, if continued, will, in

the opinion of the United Kingdom delegation, deprive international trade of the most efficient and cheapest sea transport, since private enterprise in shipping cannot exist in competition with shipping heavily subsidized by Governments.

Countries which do not at present subsidize will, the United Kingdom delegation fear, have to resort either to protection for their shipping or to subsidies. The result will be the substitution of State shipping for shipping built and operated on ordinary economic lines. The effects will be gravely detrimental to world trade.

The evil effects of subsidies fall on all countries, including those which subsidize. For the effect of subsidies is to increase the amount of tonnage afloat without reference to world trade requirements. Excess of tonnage reduces the freight earnings of all ships; reduced earnings call for larger subsidies; the ordinary action of reduced freights in reducing tonnage is prevented; and the consequences to all nations in the industry are heavy losses. It is true to say that the subsidizing nations are suffering with those which do not subsidize, and perhaps more, as they are loading their budgets and are impoverishing their customers.

The effect of subsidies to shipping on the maritime countries which do not subsidize is to prevent them from earning those revenues which assist to maintain the balance of trade and which enable them to pay for imports. The grant of subsidies on competitive routes, in the view of the United Kingdom delegation, amounts to a dumping of shipping services, and defeats the intention of international engagements such as those contained in the Maritime Ports Convention.

The United Kingdom delegation submit:

- (1) That State subsidies for the construction of shipping for, or its maintenance on, competitive routes are uneconomic, can only lead to the granting of similar subsidies by other countries and/or to protective measures in respect of shipping, which would deprive world trade of the economic and efficient sea transport it has so far enjoyed, disorganize the world freight market, increase the burdens on national budgets and lessen the power of maritime countries to pay in services for imports and loans.
 - (2) In these circumstances the countries concerned should move as rapidly as possible towards the diminution and ultimate abolition of State assistance to shipbuilding and ship operation on competitive routes.
20. The *Greek* delegates supported the declaration made by the

United Kingdom delegate, subject to an exception being considered as regards passenger transport.

21. The *Norwegian* delegate strongly supported the United Kingdom view, as also did the delegate of the *Netherlands*, who further drew attention to the similarity of the subject matter of the United Kingdom memorandum and that which had previously been submitted by the Norwegian and Netherlands delegations.

22. The *Italian* delegate repeated the view stated in paragraph (5).

23. The delegate of the *United States of America*, in a speech which is appended in full, drew attention, among other matters, to the difficulty of defining an uneconomic subsidy and of determining what constituted an uneconomic policy, within the meaning of the Memorandum submitted by the Norwegian and Netherlands delegations. He suggested, indeed, that the present state of shipping was due to a number of phenomena, some of which were before the Conference, and not to subsidies alone. There was no flag discrimination in United States ports against vessels of countries which did not discriminate against American ships. The Government of the United States was determined to obtain equality for its vessels in other respects also, and especially to equalize the costs of construction and operation as between American and foreign ships. 'The United States', he said, 'intends to have a merchant marine. It desires conditions of parity for its vessels and nothing more.'

24. The discussions in the Sub-Commission showed that there were two distinct currents of opinion, some delegations holding that it was desirable to deal specially with shipping subsidies as being of international concern, since they injured trade and tended to deprive international trade of the services essential to it; other delegations, on the other hand, holding that all subsidies were inter-related and merely constituted different examples of State assistance to industry.

25. It was generally agreed, however, that the fundamental basis of discussion was the effect of subsidies on international trade.

26. The memorandum submitted by the United Kingdom delegation would clearly have evoked contributions to the problem from the delegations of other countries, had not the labours of the Sub-Commission been cut short by the decision of the Bureau that a Drafting Committee should be set up to report progress.

SUB-APPENDIX I

Memorandum of the United Kingdom Delegation

1. The severity of the crisis in world trade is known to every one, and one of the main objects of this Conference is to promote the flow

of world trade by reducing the barriers to international commerce, such as tariffs, import restrictions, exchange control, subsidies, and the like, which have so disastrously affected the trade of the world.

2. This Sub-Commission is to deal with those barriers to trade which fall under the head of 'Bonuses and Direct and Indirect Subsidies, in particular Shipping Subsidies'.

3. This question is part of the general problem of reduction in, and removal of, artificial hindrances to trade, and is considered from that point of view by the United Kingdom delegation. The vital need of economic disarmament in relation to the exchange of goods and services emphasized by the Preparatory Commission for this Conference applies with at least as much force to shipping as to other services. To free international shipping from artificial conditions, which, if continued, will deprive world trade of the most efficient and cheapest ocean transport, is part of the problems of this Conference.

4. So far as concerns subsidies, direct and indirect, to shipping, the position to-day is worse than it has ever been.

5. A few figures will show clearly the expansion that has taken place in shipping as compared with the decline of international trade. At the outbreak of war, in 1914, the gross tonnage of the world's steam and motor shipping (omitting vessels of less than 100 tons but including vessels on the Great Lakes of the United States) amounted to 45.4 million tons. To-day (notwithstanding a decline of over 2 million tons in the past two years) the total still amounts to 66.6 million tons. The increase in the world's steam and motor tonnage, therefore, amounts to 21.2 million tons, or nearly 47 per cent. The increase in foreign-going tonnage (ships of 2,000 tons gross and upwards) is probably at least as great. The volume of the world's trade, which, in 1929, was about 30 per cent. above that of 1913, had declined in 1933 to below that level. Even if no account be taken of the increased efficiency through greater speed, &c., of many of the newer ships, the tonnage available is out of all proportion to the demand for it.

6. State subsidies to shipping in this connexion is not meant to refer to those cases where it is necessary for a State to maintain certain mail and passenger services which would not be provided for without action by the State. The subsidies which hamper world trade are those which place and maintain tonnage on what, for brevity, may be described as the competitive routes, that is, those routes on which sea carriage is performed in competition by the maritime nations of the world.

7. The World Economic Conference of 1927 made the following

reference to the subject in its Report (Section 'Commerce', Paragraph IV (i)):

'Subsidies, Direct or Indirect

'During the years which followed the War, a marked extension of tariff barriers took place in various countries, accompanied by an increasing tendency to introduce State subsidies. This was done more particularly in an indirect way, by granting credits or guarantees which aimed at assisting the home industries and their export trade for a more or less protracted period, in view of the abnormal economic conditions prevailing throughout the world.

'The fact, that subsidies are in certain circumstances held to interfere less with the liberty of trading than Customs tariffs, does not make it any the less necessary to lay stress on the hidden dangers inherent in this means of encouraging production and exportation. The greater the number of countries which have recourse to this practice, the more difficult will it be for other countries to refrain from following their example. Thus the attempt to restore foreign trade to normal conditions meets with a real obstacle in the shape of subsidies.

'The Conference draws the attention of the various Governments to the true nature of direct or indirect subsidies, which are merely a palliative, and

'Expresses the hope that Governments will, so far as possible, refrain from having recourse to them.'

8. Since then, the position in this respect, as in respect of many other factors hampering world trade, has got worse instead of better, and, unless a determined and successful effort is made to reduce and ultimately abolish such bonuses and subsidies, the consequences adumbrated by the World Economic Conference of 1927 must follow as they have already followed to some extent.

9. International trade and commerce needs for its development the most efficient and cheapest sea transport it can get. This can only be secured in a freight market open to ships under all flags and free from artificial measures intended to promote the interests of vessels under particular flags.

10. For many years before the War, the general policy of maritime nations was such as to secure an open freight market, the provision of international ocean services being left, generally speaking, to individual enterprise. The result was that world requirements were

satisfactorily met during a time of great developments without in the main throwing any burden on national revenues.

11. Since the War, there has spread the policy of building and running ships, in part or whole at the cost of the State, to compete with and displace in international trade ships of other flags. This has produced and maintained tonnage not called for by economic conditions, and has tended to make impossible the operation of the freight market on an economic basis. In conjunction with the decline in world trade, it has disastrously affected the shipbuilding and shipowning interests under all flags. The great excess of sea-carrying power over the quantity of cargo to be carried is in part due to this policy.

12. The effect of uneconomic shipping subsidies, if continued, will be to deprive international commerce of the most efficient and cheapest sea transport. For, as shipowners in various countries have pointed out, private enterprise in shipping cannot for ever exist in competition with shipping heavily subsidized by Governments. Countries which do not at present subsidize will have to resort either to protection of their shipping or to subsidies, and the result will be the substitution of State shipping for shipping built and operated on ordinary economic lines, and the loss by international commerce of the efficient and cheap machine it has employed for so many years.

13. In a memorandum to the United Kingdom Government from the Association of British Chambers of Commerce, the Federation of British Industries, and the Chamber of Shipping, the following view is expressed:

'We are convinced that, if the present policy of excessive Government intervention in shipping is continued much longer, there will be no alternative to retaliation and to universal subsidization of ships at the expense of the taxpayer, and the converting of what was a source of prosperity into a heavy burden. Such conditions would effectively deprive trade and commerce of the transport facilities which they need, and must still further dislocate world trade already paralysed by innumerable trade barriers.

'In our view, therefore, agreement among the Governments represented at the Conference to abolish or at least restrict the present policy of uneconomic subsidization of shipping and shipbuilding is one of the most urgent and vital problems before the Conference.'

This is a repetition of similar views expressed by the various organizations concerned in other maritime countries.

14. The evil effects of subsidies fall on all countries, including those

which subsidize. For the effect of subsidies is to increase the amount of tonnage afloat without reference to world trade requirements. Excess of tonnage reduces the freight earnings of all ships; reduced earnings call for larger subsidies; the ordinary action of reduced freights in reducing tonnage is prevented; and the consequences to all nations in the industry are heavy losses. It is true to say that the subsidizing nations are suffering with those which do not subsidize, and perhaps more, as they are loading their budgets and are impoverishing their customers.

15. The effect of subsidized shipping upon the maritime countries which do not subsidize is to prevent them from earning those revenues which assist to maintain the balance of trade, and which enable them to pay for imports. The loss of that source of revenue can only contribute further to the reduction of imports in maritime countries, and lessen their ability to discharge their obligations. Population on the present scale can only be maintained, for example, in these islands if we are in a position to import large quantities of foodstuffs and raw materials. Since these imports must be paid for by exports, and since our visible exports are not sufficient in themselves to pay for imports, world trade is diminished by any diminution of the chief means of adjusting the balance, namely, the employment of British shipping in world trade. Similar considerations to a greater or less extent apply to other maritime countries. As was stated by the Chancellor of the Exchequer on June 14, creditor countries wishing to obtain payment for their claims on foreign countries must accept goods and services in settlement of those claims. Thus, refusal to accept the services of foreign shipping prevents the settlement of international obligations and restricts international trade. To remove such restrictions is a necessity which is admitted by all if the flow of international trade is to be restored.

16. Under Treaties of Commerce and Navigation, to which most countries are parties, there is laid down the most definite national treatment for shipping. Shipping subsidies in their present form constitute a kind of protection, which was not contemplated when the present form of these treaties was elaborated. The older methods of flag discrimination are practically non-existent to-day, but the grant of subsidies on competitive routes really amounts to a dumping of shipping services which tends to render nugatory the navigation provisions of Treaties. It is also contrary to the spirit of the Maritime Ports Convention.

17. The history of the last few years has shown marked extension of the policy of subsidizing shipping. The continuance of the present

methods can only result in increasing the uneconomic condition of world shipping with disastrous consequences to all concerned.

18. The United Kingdom delegation submit, therefore, in pursuance of the objects of this Conference—i.e. economic disarmament in relation to the exchange of goods and services, and the increase in the flow of international trade by the reduction of artificial barriers and hindrances to that trade—that the Sub-Commission should endeavour to reach agreement on the following lines of action in regard to shipping subsidies:

(1) That State subsidies for the construction of shipping for, or its maintenance on, competitive routes are uneconomic, can only lead to the granting of similar subsidies by other countries and/or protective measures in respect of shipping, which would deprive world trade of the economic and efficient sea transport it has so far enjoyed, disorganize the world freight market, increase the burdens on national budgets and lessen the power of maritime countries to pay in services for imports and loans.

(2) In these circumstances the countries concerned should move as rapidly as possible towards the diminution and ultimate abolition of State assistance to shipbuilding and ship operation on competitive routes.

SUB-APPENDIX II

Summary of Remarks of Mr. Fred. K. Nielsen, United States Representative, made on July 5, 1933

I am sure we have all been glad to listen to the interesting memorandum read by the British delegate. After he has distributed copies to us, which he said he would do, I shall probably desire to make some reply.

I have a cardinal principle with respect to international arrangements. In my opinion, it is of the utmost importance that there should be certainty in connexion with international acts: resolutions, declarations, or covenants. There is danger of multiplying international difficulties in dealing in general or uncertain terms with subjects that enter into international arrangements or problems which it is sought to make the subject of international concern.

Reference has been made to 'uneconomic subsidies'. I feel certain that very considerable differences of opinion might arise with regard to the interpretation of any resolution or covenant condemning uneconomic subsidies. It is my recollection that the Chairman defined such subsidies as a form of 'unnatural assistance'. Even

though we take the definition as something more concise than the term defined, I think that there might still be considerable divergence of views as to the meaning of any prohibition or condemnation of unnatural assistance. The same, I think, may be said with respect to some form of outlawing 'excessive nationalistic policies', which, as I recollect, were mentioned a little while ago.

Some of the proposals laid before the Sub-Committee contain some interesting general declarations. I do not think that it is necessary for me to discuss them in detail. However, from the fact that I have not referred to them during the course of the discussion which has taken place, it should not be inferred that I agree with everything that is said in the proposals.

In that of Norway and of the Netherlands, agreement is expressed with regard to the conclusion of the Preparatory Commission of Experts, that it is impossible to return to 'sound conditions in the shipping industry so long as an uneconomic policy of Government subsidies continues'. Undoubtedly, there may be considerable differences of opinion as to what constitutes 'an uneconomic policy'.

In paragraph (c) of the same proposal, there is a reference to 'the disastrous loss of equilibrium between world tonnage and traffic', and this, it is said, 'has resulted from the policy of "excessive intervention" to which the experts direct the attention of the Conference'. That is a sweeping conclusion with respect to the effect of what is termed 'excessive intervention'. If the lack of international traffic for vessels is due to excessive intervention rather than to a myriad of phenomena, some of which the Conference is attempting to deal with, then there would seemingly be nothing before the Conference but the question of ship subsidies.

That situation being postulated, there is submitted further on in paragraph (c) the conclusion that under certain conditions a final alternative 'must be the granting, under all flags, of still further subsidies until the ocean transport system of international trade as a whole ceases to be competitive'. That is an interesting speculation with respect to something that has not happened. It seems to be a declaration to the effect that nations will have a merchant marine, even if they must grant subsidies in order to have it. Now, on the other hand, in the proposals of the French delegation it is said that there has 'sprung up a ruinous and futile struggle between national flags, which took the form of a constantly increasing competition in tonnage and speed and of a dangerous rates war'.

I presume that it is a general rule in all lines of activities that the

greater the amount of services offered, the keener the competition. And so I should presume that, if tonnage increases, competition correspondingly increases, unless shipowners in some way contrive to control rates of service.

Reference has been made to what has been called 'flag discriminations'. The United Kingdom delegate has just referred to provisions of certain treaties. I understood him to express the view that they were inadequate to meet conditions which he discussed. Many years ago, the Government of the United States initiated the conclusion of numerous so-called Commercial Treaties with other nations. These treaties, varying of course in form and substance, contain provisions to prevent discrimination against vessels through the imposition of discriminatory duties on their cargoes. With respect to such matters, therefore, every foreign merchant ship comes into the harbours of the United States on terms of equality with American vessels and with vessels of all other countries. There is no discrimination against vessels of countries that do not discriminate against American ships. These treaties have been regarded as valuable agreements.

The Government of the United States has undertaken to obtain equality for its vessels in other respects. No criticism has been specifically directed here against measures which it has employed. In the preamble of a law enacted by the Congress of the United States in 1928 it is declared that 'it is necessary for the national defence and for the proper growth of its foreign and domestic commerce that the United States shall have a merchant marine of the best equipped and most suitable types of vessels'. That law reaffirms a policy expressed in a previous piece of legislation which came into force in 1920.

In enacting these laws, the Congress had in mind, in furtherance of the specific purposes which I have just mentioned, an equalization of the costs of constructing and operating American ships and such costs in respect of foreign ships, so that vessels in the United States can compete for both cargo and passengers on substantially equal terms with other maritime nations. In earlier days of the Republic, its shipping flourished and then became decadent. I will not now discuss historical forces that have operated with such disastrous effects on American commerce when the nation has been at war or when it has been neutral, and other nations have been belligerent. The United States intends to have a merchant marine. It desires conditions of parity for its vessels and nothing more.

APPENDIX 5

PUBLIC WORKS

Letter to the President of the Conference by the President of the Economic Commission

The Rt. Hon. J. Ramsay MacDonald,
President of the Monetary and
Economic Conference.

July 14, 1933.

I have the honour to inform you that the Economic Commission, which met yesterday in order to discuss the question of public works, was not in a position to appoint a Sub-Committee, the Monetary and Financial Commission not having yet been able to discuss the problem. The Economic Commission, therefore, decided to recommend the Bureau of the Conference to appoint a Sub-Committee to study the problem of public works and other means for reducing unemployment. This Sub-Committee, which, in accordance with the Bureau's previous decisions was to include representatives of both the Economic and the Monetary and Financial Commissions, would be composed, in accordance with the decisions to be taken by the Bureau, in such a way that due regard would be had both to the economic and social, and to the financial aspects of the matter. The Sub-Committee would be convened as soon as the Bureau considered it possible to do so.

(Signed) H. COLIJN

President of the Economic Commission.

APPENDIX 6

COMMUNICATION BY MR. CORDELL HULL (UNITED STATES OF AMERICA)
TO THE PRESIDENT OF THE ECONOMIC COMMISSION

Although the chief portion of its work is uncompleted, the Conference is about to enter upon a recess. During and following this recess, it is to be hoped that the interested Governments will bring forward, through diplomatic or other channels, substantial proposals aimed to carry out ultimately the fundamental purpose for which the Conference was called. I herewith forward a document which I hope will, along with others of a similar character that may come from other sources, receive the attention of those who have the duty of planning the continuation of the work of the Conference.

This document contains the outline of a possible agreement for a protracted truce against measures restrictive of international trade.

I contemplate that this truce agreement might be carried into effect when and as the Conference truce—which, I understand, remains in effect among the adhering States during the recess—may end. This further truce may carry through the longer period required for the carrying out of the general aim of reducing existing barriers. The terms suggested are more precise than those of the Conference truce. Other Governments may quite possibly feel that their national necessities would require them to add various points even to the substantial list of reservations and exceptions proposed. A continuing truce should serve to restrict new barriers to such instances of evident and unusual necessity as may arise, even while general governmental policy was aimed in the other direction.

It will be seen that, in this document, the American Government indicates the precise test of necessity which it expects to observe before introducing any new restrictions that may seem imperative for the success of the domestic programme of recovery upon which it is engaged. American policy will in general seek to further international commerce to the fullest possible extent compatible with the essential aims of this programme.

The document advocates, furthermore, the immediate undertaking of reductions of the existing barriers by the encouragement of bilateral and of practical multilateral agreements. It does not attempt to put into legal form of agreement the terms of possible action; the difficulties of this require further discussion among Governments. But it does attempt to limit with some degree of precision the exceptions and reservations which may be necessary.

It also sets forth the present American attitude towards other matters involved in commercial treaty negotiations, such as the most-favoured-nation principle and the possible special exceptions from that principle that might be allowed by Governments to facilitate agreements for the lowering of trade barriers.

I trust that these proposals will turn out to be a useful combination to the long-term plan of attack upon existing trade obstacles. Despite their limitations and imperfections, I am confident that their acceptance in substance would mark an important advance towards the restoration of international commerce.

The American Government reserves the liberty in the course of any future discussion that may take place of modifying its attitude on details. Other Governments will no doubt find that their approach to this question, as dictated by their own national situations, is somewhat different, and may have modifications and additions to present. However, it is my hope that the Governments will be able

to adjust their national interests and necessities and devise the means for achieving the general purpose upon which we have all agreed.

(Signed) CORDELL HULL.

SUB-APPENDIX

American Suggestion for the further Development, during the Recess and Later Stages of the Conference, of a Programme on Commercial Policy.

The Governments represented at the Monetary and Economic Conference, being desirous of abandoning economic conflict and collaborating in seeking general economic improvement through the mutually profitable exchange of goods, undertake to reach agreement, first in the negative way of ceasing to erect new barriers, and then in the positive way of progressive reduction of existing barriers ;

Section 1

Are resolved, as a first step in carrying out this programme, to endeavour to reach agreement, at the earliest moment favourable to such action, along the following lines :

The participating Governments agree not to introduce any new obstacles, direct or indirect, to the movements of international commerce, whether such obstacles are embodied in new legislation, or brought into existence by the exercise of administrative or executive power under existing legislation. This truce against new barriers is to become effective as between the countries participating in it, but will not, subject to treaty obligations, bind participating Governments towards those Governments which do not participate.

The preceding agreement shall be subject to the following reservations and exceptions :

- (a) The exceptions generally admitted in existing treaties, for purposes of safety, sanitation, plant and animal protection, morals, *et cetera* (such as are enumerated in Article 4 of the Geneva Convention of 1927 and reproduced as annex to document Conf. M.E./C.E.24, and that for the purpose of exclusion of products of convict or forced labour).
- (b) Duties or taxes imposed on imported products merely to offset internal excise taxes on competing domestic products.
- (c) Arrangements, whether of duties, quotas, or other forms, applied in connexion with multilateral agreements for the regulation of production and/or marketing of natural products, provided such agreements conform to principles which have received general approval.

- (d) Additional duties imposed upon goods found to be 'dumped', in the strict sense of having been sold for exportation for less than for consumption at home, or benefiting directly or indirectly from governmental or other bounties (such additional duties being limited to the difference in the prices or to the amount of the bounties as nearly as may be ascertainable).
- (e) Additional duties imposed on products of particular countries which refuse to accord equality of treatment.
- (f) New or additional duties or restrictions necessitated by governmental measures of an emergency character which—by raising wages, shortening hours, and improving conditions of labour—have resulted in increased costs and prices.

Any new or additional duties or restrictions authorized under the above circumstances shall be imposed only for the purpose of preventing an excessive influx of imports of particular commodities.¹ They should not be more than sufficient to meet the emergency and should continue in force only for the period of the emergency. They should not reduce foreign trade in the commodities affected below the level of a pre-determined period, and should be used only to prevent drastic increases of imports above the level of such period. They should not be imposed or applied in such manner as to discriminate against the trade in the products concerned of any country participating in the truce.

Before exercising the right conferred in this reservation, Governments are to give preliminary notice to the principal foreign countries supplying their imports of the particular commodity, and to allow reasonable opportunity for representation of the viewpoints of such Governments with regard to such duties or restrictions, each Govern-

¹ As a practical basis for discussion, the following limits of action might be considered:

'New or additional duties or restrictions authorized under the above circumstances shall not be imposed on any commodity unless, during a period of (say) two months, the imports of the commodity shall have exceeded (say) five per cent. of the estimated domestic consumption, and unless they shall have exceeded the average imports during the corresponding months of the three-year period 1930, 1931, and 1932:

'(1) By at least (say) ten per cent. in the case of any article of which the imports during the two months period have either exceeded (say) twenty per cent. of domestic consumption, or have constituted a materially larger proportion of domestic consumption than during normal years preceding 1930.

'(2) By at least (say) 25 per cent. in the case of any article of which the imports during the two months period have exceeded (say) 10 per cent. of domestic consumption but have been less than 20 per cent. thereof.

'(3) By at least (say) 50 per cent. in the case of any article of which the imports during the two months period have not exceeded (say) 10 per cent. of domestic consumption.'

ment having the right, in the case of an unsatisfactory result of such consultations, to denounce the agreement with reference to the products of the country availing itself of this safeguarding provision.

This agreement would be open to adhesion by all Governments, and would come into force when accepted by Governments representing (say) 50 per cent. of the world's international commerce. It is to be of indefinite duration, but one year after coming into force it may be subject to denunciation upon one month's notice.

Section 2

Are further resolved forthwith to initiate bilateral (or plurilateral) negotiations for the removal of prohibitions and restrictions and for the reduction of tariff rates; and they declare that their aim in these treaties is substantial reduction of basic trade barriers, and not merely the removal of temporary and abnormal restrictions and increments imposed for bargaining purposes.

In shaping its policy and in executing its obligations under any agreements, each Government should direct its first and greatest efforts towards eliminating restrictions and reducing duties which most clearly lack economic justification, particularly:

- (a) Duties or restrictions which now completely or almost completely exclude foreign competition, such as those which restrict importation of particular commodities to less than 5 per cent. of the domestic consumption thereof;
- (b) Duties or restrictions on articles the imports of which have been substantially curtailed since 1929 as compared with domestic consumption;
- (c) Protective duties or restrictions which have been in effect a considerable period of time without bringing about a substantial domestic production of the protected commodities (say equal to 15 per cent. of the total domestic consumption thereof).

Such agreements should have incorporated in them the most-favoured-nation principle in its unconditional and unrestricted form—to be applied to all forms and methods of control of imports, and not only to import duties—subject only to such limited or temporary exceptions as have been recognized in the past or may gain general assent.

Such agreements shall not introduce discriminatory features which, while providing an immediate advantage to the contracting parties, will react disadvantageously upon world trade as a whole.

The Governments declare that the most-favoured-nation principle

enjoins upon every Power making use of the quota system or other systems for limiting imports, to apply these systems so as to derange as little as possible the natural relative competitive positions of the various countries supplying the imports of articles affected.

The participating Governments urge the general acceptance of the principle that the rule of equality shall not require the generalization to non-participants of the reduction of tariff rates or import restrictions, made in conformity with plurilateral agreements that give reasonable promise of bringing about such general economic strengthening of the trade area involved as to prove of benefit to the nations generally; provided such agreements:

- (a) Include a trade area of substantial size;
- (b) Call for reductions that are made by uniform percentages of all tariff rates or by some other formula of equally broad applicability;
- (c) Are open to the accession of all countries;
- (d) Give the benefit of the reductions to all countries which in fact make the concessions stipulated; and
- (e) When the countries party to the plurilateral agreement do not, during the term of the plurilateral treaty, materially increase trade barriers against imports from countries outside of such agreement.

(viii) *Resolution adopted at the Final Session of the Conference, July 27, 1933*¹

The Conference,

Empowers the President, Vice-President, and Bureau;

1. To take whatever action they may consider likely to promote its success, whether by the convocation of any committee set up by the Conference, or of representatives of States especially concerned in any particular problem, or by reference to experts for study of any special question;

2. To determine the date of the re-assembling of the Conference.

(ix) *Memorandum of Heads of Agreement entered into by the Delegates of India, China, and Spain as holders of large stocks or users of silver, and of Australia, Canada, the United States, Mexico, and Peru as principal producers of silver, July 22, 1933*²

Whereas, at a meeting of Sub-Commission II (Permanent Measures) of the Monetary and Financial Commission of the Monetary and

¹ League Document, Conf. M.E.22.

² U.S. State Department Bulletin of Treaty Information; No. 47, August, 1933.

Economic Conference held on Thursday, July 20, 1933, the following Resolution was unanimously adopted;

(There follows the text of the Resolution.¹)

and,

Whereas, the Governments of India and Spain may desire to sell certain portions of their silver holdings, and it will be to their advantage that the countries which are large producers of silver should absorb silver as herein provided, to offset such sales, and,

Whereas, it is to the advantage of the large producing countries named in Article 2 that the sales of silver from monetary stocks be limited as herein provided, and,

Whereas, it is to the advantage of China that sales from monetary stocks of silver be offset by purchases as herein provided, with a view to its effective stabilization;

Now, therefore, it is agreed between the parties hereto:

1 (a) That the Government of India shall not dispose by sale of more than one hundred and forty million fine ounces of silver during a period of four years, commencing with January 1, 1934. The disposals during each calendar year of the said four-year period shall be based on an average of thirty-five million fine ounces per year, it being understood, however that if, in any year, the Government of India shall not dispose of thirty-five million fine ounces, the difference between the amount actually disposed of and thirty-five million fine ounces may be added as additional disposals in subsequent years. Provided further that the maximum amount disposed of in any year shall be limited to fifty million fine ounces.

(b) Notwithstanding anything previously stated in this Article, it is understood that, if the Government of India should after the date of this agreement sell silver to any Government for the purpose of transfer to the United States Government in payment of war debts, such silver shall be excluded from the scope of this agreement;

(c) Provided, however, that when the total of the disposals referred to in paragraph (a) above, plus the sales referred to in paragraph (b) above, by the Government of India under this agreement shall amount to one hundred and seventy-five million fine ounces, the obligation of the parties hereto shall cease.

2. That the Governments of Australia, Canada, the United States, Mexico, and Peru, during the existence of this agreement, shall not sell any silver, and shall also in the aggregate purchase, or otherwise arrange for withdrawing from the market, thirty-five million fine

¹ For text, see above, pp. 52-3.

ounces of silver from the mine production of such countries in each calendar year for a period of four years commencing with the calendar year 1934. The said Governments undertake to settle by agreement the share in the said thirty-five million fine ounces which each of them shall purchase or cause to be withdrawn.¹

3. That the silver purchased or withdrawn in accordance with Article 2 above shall be used for currency purposes (either for coinage or for currency reserves), or be otherwise retained from sale during said period of four years.

4. That the Government of China shall not sell silver resulting from demonetized coins for a period of four calendar years commencing January 1, 1934.

5. That the Government of Spain shall not dispose by sale of more than twenty million fine ounces of silver during a period of four years commencing January 1, 1934. The disposals during each calendar year of the said four-year period shall be based on an average of five million fine ounces per year; it being understood, however, that if, in any year, the Government of Spain shall not dispose of five million fine ounces, the difference between the amount actually disposed of and five million fine ounces may be added as additional disposals in subsequent years; provided further that the maximum amount disposed of in any year shall be limited to seven million fine ounces.

6. That the Governments concerned will exchange all such information as may be necessary with regard to the measures to fulfil the provisions of this memorandum of agreement.

7. That it is understood, that subject to the provisions of Article 8, the undertakings of each party to the present memorandum of agreement are conditional upon the fulfilment of the undertakings of every other party thereto.

8. That this memorandum of agreement is subject to ratification by the Governments concerned. The instruments of ratification shall be deposited not later than April 1, 1934, with the Government of the United States. It shall come into force as soon as the ratifications² of all the Governments concerned are received, provided that all the ratifications are received before April 1, 1934. A notice by any Government that the affirmative action necessary to carry out the purposes of this agreement has been taken will be accepted as an instrument of ratification. Nevertheless, if one or more of the

¹ The proportions were settled by separate allotment agreements: Australia 652,355, Canada 1,671,802, Mexico 7,159,108, Peru 1,095,325, U.S.A. 24,421,410 fine ounces of silver.

² On March 30, 1934, the Agreement had been ratified by India, Mexico, Australia, U.S.A., and China.

Governments enumerated in Article 2 fail to ratify by April 1, 1934, the agreement shall come into force at that date if the other Governments mentioned in Article 2, which have ratified, notify the other Governments which ratify that they are prepared to purchase, or cause to be withdrawn, in the aggregate the amount of silver mentioned in Article 2. The Government of the United States is requested to take such steps as may be necessary for the purpose of the conclusion of this agreement.

In witness whereof the undersigned have signed the present memorandum of agreement.

Done at London this 22nd day of July, 1933, in a single copy which shall be deposited in the archives of the Government of the United States.

S. M. BRUCE

Delegate of Australia.

EDGAR N. RHODES

Delegate of Canada.

W. W. YEN

Delegate of China.

KEY PITTMAN

*Delegate of United States of
America.*

GEORGE SCHUSTER

Delegate of India.

EDUARDO SUÁREZ

Delegate of Mexico.

F. TUDELA

Delegate of Peru.

L. NICOLAU D'OLWER

Delegate of Spain.

(x) *Final Act of the Wheat Conference, August 25, 1933*¹

The Governments of Germany, Austria, Belgium, Bulgaria, France, the United Kingdom of Great Britain and Northern Ireland, Greece, Hungary, Irish Free State, Italy, Poland, Roumania, Spain, Sweden, Czechoslovakia, Switzerland, the Union of Socialist Soviet Republics, and Yugoslavia, having accepted the invitation extended to them by the Secretary-General of the Monetary and Economic Conference on behalf of the Governments of Argentina, Australia, Canada, and the United States of America, to take part in a Conference to consider the measures which might be taken in concert to adjust the supply of wheat to effective world demand and eliminate the abnormal surpluses which have been depressing the wheat market, and to bring about a rise and stabilization of prices at a level remunerative to the farmers and fair to the consumers of breadstuffs, have agreed as follows:

Article 1

The Governments of Argentina, Australia, Canada, and the United States of America agree that the exports of wheat from their several

¹ British White Paper, Cmd 4449.

countries during the crop year August 1, 1933, to July 31, 1934, shall be adjusted, taking into consideration the exports of other countries, by the acceptance of export maxima fixed on the assumption that world import demand for wheat will amount during this period to 560,000,000 bushels.

Article 2

They further agree to limit their exports of wheat during the crop year August 1, 1934, to July 31, 1935, to maximum figures 15 per cent. less in the case of each country than the average out-turn on the average acreage sown during this period 1931-3 inclusive after deducting normal domestic requirements. The difference between the effective world demand for wheat in the crop year 1934-5, and the quantity of new wheat from the 1934 crop available for export, will be shared between Canada and the United States of America as a supplementary export allocation, with a view to the proportionate reduction of their respective carry-overs.

Article 3

The Governments of Bulgaria, Hungary, Roumania, and Yugoslavia agree that their combined exports of wheat during the crop year August 1, 1933, to July 31, 1934, will not exceed 50,000,000 bushels. This undertaking is made on the understanding that the aggregate may be increased to a maximum of 54,000,000 bushels if the Danubian countries find that such a supplementary quota is required for the movement of the exportable surplus of the 1933 crop.

Article 4

They further agree that their combined exports of wheat during the crop year 1934-5 will not exceed a total of 50,000,000 bushels, and recognize that the acceptance of this export allocation will not allow of an extension of the acreage sown to wheat.

Article 5

The Government of the Union of Socialist Soviet Republics, while unable to give any undertaking in regard to production of wheat, agree to limit their exports for the crop year 1933-4 to a figure which will be arrived at upon the completion of negotiations with the Governments of the overseas wheat-exporting countries. They also agree that the question of their export of wheat during the crop year 1934-5 shall be the subject of further negotiations with the wheat-exporting countries represented upon the Advisory Committee.

Article 6

The Governments of the wheat-importing countries in signing this instrument:

(i) Agree henceforth not to encourage any extension of the area sown to wheat, and not to take any governmental measures the effect of which would be to increase the domestic production of wheat.

(ii) Agree to adopt every possible measure to increase the consumption of wheat, and are prepared to bring about the progressive removal of measures which tend to lower the quality of breadstuffs and thereby decrease the human consumption of wheat.

(iii) Agree that a substantial improvement in the price of wheat should have as its consequence a lowering of customs tariffs, and are prepared to begin such adjustment of customs tariffs when the international price of wheat reaches and maintains for a specified period an average price to be fixed. It is understood that the rate of duty necessary to assure remunerative prices may vary for different countries, but will not be sufficiently high to encourage their farmers to expand wheat acreage.

Appendix A contains the agreed definitions relating to the technical points mentioned in this paragraph.

(iv) Agree that, in order to restore more normal conditions in world trade in wheat, the reduction of customs tariffs would have to be accompanied by modification of the general régime of quantitative restriction of wheat imports, and accept in principle the desirability of such a modification. The exporting countries for their part agree that it may not be possible to make substantial progress in these modifications in 1933-4, but the importing countries are prepared to make effective alterations in 1934-5 if world prices have taken a definitely upward turn from the average price of the first six calendar months of the year 1933. The objective of these relaxations of the various forms of quantitative restrictions will be to restore a more normal balance between total consumption and imports, and thereby to increase the volume of international trade in wheat. It is understood that this undertaking is consistent with maintaining the home market for domestic wheat grown on an area no greater than at present. It is obvious that fluctuations in the quantity and quality of the wheat harvest, resulting from weather conditions, may bring about wide variations in the ratio of imports to total consumption from season to season.

The obligations of the importing countries under this agreement are to be interpreted in the light of the following declaration:

It is recognized that measures affecting the area of wheat grown, and the degree of protection adopted, are primarily dependent upon domestic conditions within each country, and that any change in these measures must often require the sanction of the legislature.

The intention of this agreement is nevertheless that the importing countries will not take advantage of a voluntary reduction of exports on the part of the exporting countries, by developing their domestic policies in such a way as to frustrate the efforts which the exporting countries are making, in the common interest, to restore the price of wheat to a remunerative level.

Article 7

The countries participating in the Conference agree to set up a Wheat Advisory Committee to watch over the working and application of this Agreement. The functions, organizations, and financial basis of this Committee are set out in Appendix B.

Done at London, the twenty-fifth day of August, one thousand nine hundred and thirty-three, in a single copy which shall be deposited in the Secretariat of the League of Nations, and of which authenticated copies shall be delivered to all members of the League of Nations and non-member States represented at the Conference of Wheat-Exporting and Importing Countries.

There follow two Appendices, the contents of which may be summarized as follows:

APPENDIX A

(1) 'International wheat price' as mentioned in Article 6, paragraph iii, of the Agreement, shall be understood to mean a duty-free gold price, c.i.f. on a world market.

It is the average price of all parcels of imported wheat of all grades sold during each week in all the ports of Great Britain.

(2) The minimum average gold price calculated as indicated above shall be 12 gold francs per quintal (63.02 gold cents per bushel).

(3) The period referred to in Article 6, paragraph iii, of the Agreement shall be 16 weeks.

(4) 'Each country will decide upon its tariff adjustment in accordance with the principles enunciated in Article 6, paragraph iii, of the Agreement, and every considerable and lasting change in wheat prices shall be followed by an adjustment of tariffs proportionate to such change.'

APPENDIX B

This was a report of the Sub-Committee (which met on August 22), on the Constitution of a Wheat Advisory Committee. The Committee is to watch over the implementing of this Agreement only. 'No question arises of establishing any permanent committee entrusted with the task of supervising the production of and trade in wheat.' It would only take decisions in cases defined in the agreements; and would be 'primarily advisory in character'.

MINUTE

A minute of the final meeting records that the Act of Agreement shall be deposited at the League Secretariat, and shall remain open for signature on behalf of other countries.

(xi) *Declaration of Empire Monetary and Economic Policy,*
*July 27, 1933*¹

1. Now that the World Economic and Monetary Conference has adjourned, the undersigned delegations of the British Commonwealth² consider it appropriate to put on record their views on some of the more important matters of financial and monetary policy which were raised but not decided at the Conference. During the course of the Conference they have had the opportunity of consulting together and reviewing, in the light of present-day conditions, the conclusions arrived at at their meeting at Ottawa a year ago, in so far as they had reference to the issues before the Conference.

ECONOMIC POLICY

2. The undersigned delegations are satisfied that the Ottawa Agreements have already had beneficial effects on many branches of inter-Imperial trade and that this process is likely to continue as the purchasing power of the various countries concerned increases. While there has not yet been sufficient time to give full effect to the various agreements made, they are convinced that the general principles agreed upon are sound. The undersigned delegations reaffirm their conviction that the lowering or removal of barriers between the countries of the Empire provided for in the Ottawa Agreements will

¹ *The Times*, July 28, 1933.

² The declaration was issued over the signatures of Mr. Neville Chamberlain (United Kingdom), Mr. R. B. Bennett (Canada), Mr. S. M. Bruce (Australia), Mr. G. W. Forbes (New Zealand), General J. C. Smuts (South Africa), and Sir Henry Strakosch (India). The declaration was not signed by the representative of the Irish Free State, who referred the matter to his Government.

not only facilitate the flow of goods between them, but will stimulate and increase the trade of the world.

3. The delegations now desire to draw attention to the principles of monetary and financial policy which have emerged from the work of both the Ottawa and World Conferences, and which are of the utmost importance for the countries within the British Commonwealth. The following paragraphs embody their views as to the principles of policy which they consider desirable for their countries.

MONETARY AND FINANCIAL

I. Price Levels

4. At the Ottawa Conference the Governments represented declared their view that a rise throughout the world in the general level of wholesale prices was in the highest degree desirable, and stated that they were anxious to co-operate with other nations in any practicable measures for raising wholesale prices. They agreed that a rise in prices could not be effected by monetary action alone, since various other factors which combined to bring about the present depression must also be modified or removed before a remedy is assured.

It was indicated that international action would be needed to remove the various non-monetary factors which were depressing the level of prices.

In the monetary sphere the primary line of action towards a rise in prices was stated to be the creation and maintenance within the limits of sound finance of such conditions as would assist in the revival of enterprise and trade, including low rates of interest and an abundance of short-term money. The inflationary creation of additional means of payment to finance public expenditure was deprecated, and an orderly monetary policy was demanded with safeguards to limit the scope of violent speculative movements of commodities and securities.

5. Since then the policy of the British Commonwealth has been directed to raising prices. The undersigned delegations note with satisfaction that this policy has been attended with an encouraging measure of success. For some months, indeed, it had to encounter obstacles arising from the continuance of a downward trend of gold prices, and during that period the results achieved were in the main limited to raising prices in Empire currencies relatively to gold prices. In the last few months the persistent adherence of the United Kingdom to the policy of cheap and plentiful money has been increasingly effective under the more favourable conditions that have been created,

for the time being, by the change of policy of the United States, and by the halt in the fall of gold prices.

Taking the whole period from June 29, 1932, just before the assembly of the Ottawa Conference, a rise in sterling wholesale prices has taken place of 12 per cent., according to the *Economist* index. The rise in the sterling prices of primary products during the same period has been much more substantial, being in the neighbourhood of 20 per cent.

6. The undersigned delegations are of opinion that the views they expressed at Ottawa as to the necessity of a rise in the price level still hold good, and that it is of the greatest importance that this rise which has begun should continue. As to the ultimate level to be aimed at, they do not consider it practicable to state this in precise terms. Any price level would be satisfactory which restores the normal activity of industry and employment, which ensures an economic return to the producer of primary commodities, and which harmonizes the burden of debts and fixed charges with economic capacity. It is important that the rise in prices should not be carried to such a pitch as to produce an inflated scale of profits and threaten a disturbance of equilibrium in the opposite direction. They, therefore, consider that the Governments of the British Commonwealth should persist by all means in their power, whether monetary or economic, within the limits of sound finance, in the policy of furthering the rise in wholesale prices until there is evidence that equilibrium has been re-established, and that thereupon they should take whatever measures are possible to stabilize the position thus attained.

7. With reference to the proposal which has been made from time to time for the expansion of Government programmes of capital outlay, the British Commonwealth delegations consider that this is a matter which must be dealt with by each Government in the light of its own experience and of its own conditions.

8. The Ottawa Conference declared that the ultimate aim of monetary policy must be the restoration of a satisfactory international monetary standard, having in mind, not merely stable exchange rates between all countries, but the deliberate management of the international standard, in such a manner as to ensure the smooth and efficient working of international trade and finance. The principal conditions precedent to the re-establishment of any international monetary standard were stated, particularly a rise in the general level of commodity prices in the various countries to a height more in keeping with the level of costs, including the burden of debt and

other fixed and semi-fixed charges, and the Conference expressed its sense of the importance of securing and maintaining international co-operation with a view to avoiding, so far as may be found practicable, wide fluctuations in the purchasing power of the standard of value.

9. The undersigned delegations now reaffirm their view that the ultimate aim of monetary policy should be the restoration of a satisfactory international gold standard under which international co-operation would be secured and maintained with a view to avoiding, so far as may be found practicable, undue fluctuations in the purchasing power of gold. The problem with which the world is faced is to reconcile the stability of exchange rates with a reasonable measure of stability, not merely in the price level of a particular country, but in world prices. Effective action in this matter must largely depend on international co-operation, and in any further sessions of the World Economic and Monetary Conference this subject must have special prominence.

10. In the meantime the undersigned delegations recognize the importance of stability of exchange rates between the countries of the Empire in the interests of trade. This objective will be constantly kept in mind in determining their monetary policy, and its achievement will be aided by the pursuit of a common policy of raising price levels. Inter-Imperial stability of exchange rates is facilitated by the fact that the United Kingdom Government has no commitments to other countries as regards the future management of sterling, and retains complete freedom of action in this respect. The adherence of other countries to a policy on similar lines would make possible the attainment and maintenance of exchange stability over a still wider area.

11. Among the factors working for the economic recovery of the countries of the Commonwealth, special importance attaches to the decline in the rate of interest on long-term loans. The undersigned delegations note with satisfaction the progress which has been made in that direction, as well as in the resumption of oversea lending by the London market. They agree that further advances on these lines will be beneficial as and when they can be made.

12. The undersigned delegations have agreed that they will recommend their Governments to consult with one another from time to time on monetary and economic policy, with a view to establishing their common purpose and to the framing of such measures as may conduce towards its achievement.

2. WAR DEBTS¹

The problem of war debts as it emerged from the year 1932² may be described as triangular. On the one side there was the opinion held in the United States, which demanded payment in full but was prepared to accept what could be obtained; on the second there was the position adopted by Great Britain,³ that though nominal payment was made it was 'not to be regarded as a resumption of the annual payment', but rather as 'a capital payment of which account should be taken in any final settlement'; on the third side of the triangle there was the French view which remained in favour of default.

In its Note to the United States Government covering the nominal payment on December 15, 1932, the British Government had urged 'the importance of an early exchange of views with the object of concluding the discussion before June 15 next in order to obviate the risk of a general breakdown of existing international agreements'.⁴ Negotiations were accordingly started, even before the Roosevelt Administration had been inaugurated, and the visit of the Prime Minister to Washington in April, 1933, played a certain part therein.

The British Government had hoped for the postponement of the payment of the June instalment pending the discussion of war debts as a whole, and at any rate until after the meeting of the World Economic Conference. The United States Government, however, could not see their way clear to reaching such an agreement, and on June 10 notified the fact that the June instalment of \$75,950,000 was due and payable on June 15.⁵

The British Government were of the opinion that payment of the June instalment in full could not be made at this juncture 'without gravely imperilling the success of the Conference, and involving widespread political consequences of the most serious character'.⁶ In the meantime, 'in order to make it perfectly clear that they do not regard the suspension of the June payment as in any way prejudicing the ultimate settlement', they proposed to make an immediate payment of \$10,000,000 as an acknowledgement of the debt pending a final settlement, and urged once more the desirability of entering upon the formal negotiations for the ultimate settlement of the whole war debt question. This temporary measure was accepted by the United States,⁷ the payment being made in silver.

The facts were made known to the House of Commons by Mr. Neville Chamberlain on June 14,⁸ and on the same day President Roosevelt issued a statement⁹ from the White House to the effect that he had 'no personal hesitation in saying that I do not characterize the resultant situation as a default. Beyond this the Law and the Constitution do not permit me to go'. He added that he was prepared to enter into further negotiations for the settlement of the debt problem, as suggested by the British Government, and that these conversations should take place in Washington. He assured the American public that the American delegates to the London Conference had been instructed not to discuss debts with the representatives of any of the debtor Governments, according to the principle that debts

¹ See *Survey* for 1933, Part I (iii). ² See *Documents* for 1932, pp. 29-154.

³ *Ibid.*, pp. 77-8. ⁴ *Ibid.*, p. 78. ⁵ See below, p. 120. ⁶ See below, p. 120.

⁷ See below, p. 123. ⁸ See below, p. 125. ⁹ See below, p. 123.

be considered 'on their merits and separate from other international economic questions'.

Throughout the summer and autumn these negotiations were, therefore, carried on in Washington by the British Ambassador, assisted by Sir Frederick Leith-Ross, but without avail. But they succeeded in demonstrating the great difficulty, if not impossibility, of reaching sound conclusions upon amounts of international payments practicable over any considerable period of time, in the face of the unprecedented state of world economic and financial conditions.

On November 6, therefore, the British Ambassador, Sir Ronald Lindsay, addressed a Note¹ to Mr. Cordell Hull, the United States Secretary of State, to the effect that, in view of the continuing difficulty in reaching a settlement, the British Government were prepared 'without prejudice to their position in the future, to make a further payment on December 15 next, as in June last, in acknowledgement of the debt pending a final settlement'. This December payment of \$7,500,000 was made, not as previously in silver, but in United States currency of the date of payment. The British Government also expressed their readiness to resume negotiations on the general question whenever it might appear that this might usefully be done.

In acknowledging and agreeing to this proposal, Mr. Cordell Hull stated² that the American Government shared the disappointment that the recent conversations had not resulted 'in a concurrence of views, and thus made an adjournment advisable pending a further clarification of the several factors, including the present unsettled economic and financial situations'. President Roosevelt on the following day issued, as before, a statement that the nominal payment was not regarded as a default.³

(i) *Note from the United States Secretary of State to the British Ambassador at Washington, June 9, 1933*⁴

I am requested by the Secretary of the Treasury to notify you that 75,950,000 dollars interest is due and payable on June 15, 1933, on account of your Government to the United States pursuant to the debt agreement of June 19, 1923.⁵

The debt agreement of June 19, 1923, requires thirty days' advance notice in case your Government desires to make payment in obligations of the United States issued since April 9, 1917, but I am requested by the Secretary of the Treasury to advise you that he will be glad to waive the requirement of thirty days' advance notice if your Government wishes to pay in that manner.

(ii) *Reply of the British Ambassador, June 13, 1933*⁶

1. In reply to the Note handed to me by the State Department on June 9, I am directed by my Government to make the following communication to you.

¹ See below, p. 128.

² See below, p. 130.

³ British White Paper, Cmd. 1912.

⁴ See below, p. 129.

⁵ British White Paper, Cmd. 4353.

⁶ British White Paper, Cmd. 4353.

2. It will be recalled that the general views of His Majesty's Government on war debts and on their relation to the present world difficulties were explained in the Notes exchanged in November and December last. His Majesty's Government at that time decided to make payment of the amount due on December 15, but they indicated clearly that this payment 'was not to be regarded as a resumption of the annual payments contemplated by the existing agreement', and they announced their intention of treating this payment 'as a capital payment of which account should be taken in any final settlement'.

3. Finally, they pointed out that the procedure adopted 'must obviously be exceptional and abnormal', and they urged upon the United States Government 'the importance of an early exchange of views with the object of concluding the proposed discussion before June 15 next, in order to obviate the risk of a general breakdown of existing inter-Governmental agreements'.

4. His Majesty's Government in the United Kingdom adopted this procedure because they recognized the peculiar position in which the then United States Administration was placed, and the impossibility of their undertaking any effective discussion of the problem at that time. His Majesty's Government acted, however, on the understanding that a discussion would take place, without delay, upon the provisions of the existing agreement in all its aspects, so as to arrive at a comprehensive and final settlement, and in the belief that payment on December 15 would greatly increase the prospects of a satisfactory approach to the whole question.

5. Negotiations were accordingly started even before the new Administration was inaugurated, and His Majesty's Government in the United Kingdom have been most anxious to pursue them as rapidly as possible. On the occasion of the Prime Minister's visit to Washington, the President and he made preliminary explorations as to the basis of a clearer understanding of the situation. For reasons not within the control of either Government, however, it has not yet been possible to arrive at a definite conclusion of these negotiations.

6. A speedy conclusion is, however, urgently needed. The treatment of inter-Governmental obligations must closely affect the solution of the problems with which the World Conference has to deal, because they cannot be separated from the influences which have brought the world to its present plight. For instance, it is generally agreed that one of the first and most essential of our aims should be to increase the general level of commodity prices. It may be recalled that after the Lausanne Conference there was a marked tendency for prices to rise, but that this tendency was reversed when

the prospects of a final settlement of inter-Governmental obligations receded, while the December payment was accompanied by a sharp fall in prices, which was felt in America at least as much as in Europe. Experience, therefore, appears to show that the effect of these payments upon prices is very direct.

7. In the opinion of His Majesty's Government it is essential for the success of the Conference that the delegates should not be hampered and harassed by doubts about the possibility of a satisfactory settlement of war debts. The payment of a further instalment of the debt at this juncture would inevitably be judged to mean that no progress whatever had been made towards such a settlement, and would, therefore, deal a damaging blow at the confidence of the delegates.

8. In the circumstances, and in view of their action last December, His Majesty's Government had hoped that the United States Government would have been able to accede to the request of His Majesty's Government to postpone the payment of the June instalment pending the discussion of war debts as a whole. Since, however, this does not appear to have been found possible, His Majesty's Government are obliged to decide upon their course of action.

9. Such a decision must in any case be of an extremely difficult character, and in considering it His Majesty's Government have felt their deep responsibility, not only to their own people, but to the whole world, which is awaiting the deliberations and recommendations of the Conference with the utmost anxiety.

10. The conclusion at which His Majesty's Government have arrived is that payment of the June instalment could not be made at this juncture without gravely imperilling the success of the Conference, and involving widespread political consequences of the most serious character. In their view, the instalment should be considered and discussed as part of the general subject of war debts, upon which they are anxious to resume conversations as soon as they can be arranged.

11. In the meantime, in order to make it perfectly clear that they do not regard the suspension of the June payment as in any way prejudicing the ultimate settlement, His Majesty's Government propose to make an immediate payment of 10 million dollars as an acknowledgement of the debt pending a final settlement. If, as they trust, the Government of the United States is thereafter prepared to enter upon the formal negotiations for the ultimate settlement of the whole war debt question, His Majesty's Government would be glad to be informed of the time and place at which the United States Government would desire such negotiations to be begun.

(iii) *Reply of the United States Secretary of State, June 14, 1933*¹

In reply to the Note handed to me by Your Excellency, I am directed by the President to make the following reply:

The President understands that His Majesty's Government have concluded that payment of the June 15 instalment 'could not be made at this juncture without gravely imperilling the success of the Conference, and involving widespread political consequences of a most serious character'. He notes also that accompanying this communication is a payment of 10 million dollars 'as an acknowledgement of the debt pending a final settlement', and notes the characterization of the circumstances with which the British Government accompanies this payment, although he by no means concedes some of the statements concerning the world-wide economic cause and effect contained in His Majesty's Government's communication, especially in so far as they affect the Economic Conference.

The President points out to His Majesty's Government the well-known fact that it is not within his discretion to reduce or cancel the existing debt owed to the United States, nor is it within his power as President to alter the schedule of debt payments contained in the existing settlement. Such power rests with Congress.

He notes likewise the suggestion of His Majesty's Government that they desire to make further representations concerning the entire question of the debt, and that His Majesty's Government request that a time and place be indicated where such representations can be made to the President or the appropriate representative of the Executive. The President suggests that His Majesty's Government provide for such representations to be made in Washington as soon as convenient.

Any results of such a discussion of the debt question can be submitted for the information or the consideration of Congress when it next meets.

(iv) *Statement by President Roosevelt, June 14, 1933*²

The British Government has announced payment to the United States of 10 million dollars, with a note indicating that this payment is to be considered 'as an acknowledgement of the debt pending a final settlement'. It has in its accompanying Note pointed out circumstances that have induced it to take this action.

Such payment does not of course in any sense prejudice the freedom of either Government in any subsequent discussion of the entire debt

¹ British White Paper, Cmd. 4353.

² Ibid.

question, which will take account of this and other debt payments. I announced in November, 1932, a policy to the effect that a debtor may at any time approach a creditor with representations concerning the debt and ask for readjustment of the debt or its terms of payment. Under such circumstances, the debtor Government makes such representations as it deems of importance with respect to the desirability of any readjustment in the terms already agreed upon. The British Government availed itself of this principle following the payment of the December 15 instalment, and I had informal discussions concerning the debt with the British Ambassador even before my inauguration. On the occasion of the visit of the Prime Minister of Great Britain in April, further exploration of the subject was made by us, and additional discussions were held by the experts of the two Governments. Time and circumstances would not permit any definitive conclusions in these discussions, because at the moment both Governments were vitally concerned in making preparation for the World Monetary and Economic Conference in London. It seems the part of fairness and wisdom to postpone formal representations on the debt subject until later. Meanwhile, the World Economic Conference is beginning under most favourable auspices, and it is vitally necessary that, during the opening days of the Conference, difficult and possibly protracted discussion of the debt be avoided.

In a spirit of co-operation I have, as executive, noted the representations of the British Government with respect to the payment of the June 15 instalment, inasmuch as the payment made is accompanied by a clear acknowledgement of the debt itself. In view of those representations and of the payment, I have no personal hesitation in saying that I do not characterize the resultant situation as a default.

Beyond this the law and the Constitution do not permit me to go. The American public understands clearly that the settlement under which these debts are now being paid was made under the authority of Congress, and that Congress alone has the right to alter the amount and method of payment of this debt. Further than this, Congress in December 1931, in approving the moratorium in June of that year, specifically set forth that the debt should not be cancelled or reduced.

Under my constitutional power, and in accordance with the terms of the policy which I have set forth, I can entertain representations of the British Government concerning the entire debt settlement, and the British Government has requested that such opportunity be afforded. I have, therefore, suggested to them that such representations be made in Washington as soon as convenient. As a matter of information to the American public, I want to make it clear that the

Economic Conference now being held in London does not include in its programme any consideration of the debts owed by various Governments to the United States. The American delegates have been instructed not to discuss debts with the representatives of any of the debtor Governments. This is in accordance with the further principle that I have felt important, that the debts be considered on their merits and separate from other international economic questions.

I have further informed the British Government that such representations and suggestions as may be made to me by the British representatives when they discuss the problem in Washington will be submitted to Congress for information and consideration when Congress next meets.

(v) *Statement by the Rt. Hon. Neville Chamberlain, Chancellor of the Exchequer, in the House of Commons, June 14, 1933*¹

The House will remember that the last instalment of the debt due on December 15 was the subject of an exchange of Notes between ourselves and the American Government. In our Note of December 11 last, we set out at some length our conviction that the continued payment of these inter-Governmental obligations was a fatal barrier to the recovery of the world. Our standpoint on this matter was reinforced by the Preparatory Committee for the World Conference, which, at the outset of their report, pointed out that the problem of inter-Governmental indebtedness had not been included because it lay outside their terms of reference. The Committee went on to say:

‘In our opinion, however, it is essential that this question shall be settled, and that the settlement shall relieve the world of further anxiety concerning the disturbing effects of such payments upon the financial, economic, and currency stability. Until there is such a settlement, or the definite prospect of such a settlement, these debts will remain an insuperable barrier to economic and financial reconstruction. We, therefore, attach the greatest importance to the early resumption and successful conclusion of negotiations upon this problem.’

We had hoped that the discussions with America last year might have led to some arrangement which would have avoided the necessity for the payment of December 15. We had, however, to take account of the political situation in the United States. The Adminis-

¹ From Hansard, June 14, 1933, cols. 284-8.

tration had been defeated at the elections, and was carrying on without being able to exercise effective authority until the new President took office. We were, however, informed that the United States Government would be prepared to review the whole situation with us without loss of time, and we were assured that

‘the prospects of a satisfactory approach to the whole question would be greatly increased’

by payment on December 15. In these circumstances, we felt that the right course was to allow time for negotiations by making payment on that date. But we explained in our Note of December 11 that this payment

‘was not to be regarded as a resumption of the annual payments, contemplated by the existing Agreement’,

and we announced our intention of treating it

‘as a capital payment of which account should be taken in any final settlement’.

We added that the procedure adopted

‘must obviously be exceptional and abnormal’,

and we urged upon the United States Government

‘the importance of an early exchange of views with the object of concluding the proposed discussion before June 15 next, in order to obviate the risk of a general breakdown of existing inter-Governmental agreements.’

Negotiations were accordingly started, even before the new Administration was inaugurated, and have been pursued ever since. On the occasion of the Prime Minister’s visit to Washington, he and the President made preliminary explorations of the situation. As stated in the communiqué issued at the time:

‘with the most friendly spirit progress is being made. After the Prime Minister’s departure these conversations can well continue in London and in Washington.’

The visit of the Prime Minister to Washington established an atmosphere of understanding and goodwill on both sides, which has been of the utmost value throughout all our subsequent conversations. But, as was made clear at the time, the Prime Minister’s journey was undertaken only for the purpose of elucidating the position, and, indeed, it was not possible in the time at his disposal to arrive at a final conclusion even if he had desired to do so. In these circumstances, His Majesty’s Government hoped that it would have

been possible for the Government of the United States to accede to their request that the payment of the June instalment should be postponed pending the discussion of war debts as a whole. They maintained this hope up to a very recent date, but in the end it became clear that it would not be realized, and they had, therefore, to decide upon their course of action in the circumstances as they found them.

In considering their decision, the Government felt that they must have regard to its effects, not only upon this country, but upon the whole world. The Conference which is now sitting in South Kensington is recognized by all as of the most momentous character, and delegate after delegate has already urged the disastrous consequences which would ensue if it failed, and the necessity for a sense of confidence if it is to succeed. We had already made a payment in December in the hope that it would pave the way to a settlement before another payment became due. If we paid again, there would appear to be no reason why we should not continue to be called upon to make payments of a similar kind indefinitely. But it seemed to us impossible to contemplate that this country should continue to make payments of this magnitude, while, under the Lausanne provisional agreements, we had suspended the corresponding claims upon our own debtors. Further payment would, therefore, have necessitated putting an end to the Lausanne Agreements, reopening all the vexed questions of reparations and war debts which were there provisionally settled, and plunging the world once more into the condition of uncertainty and despair from which it was rescued last year. These considerations appeared to the Government to be of such fundamental importance as to outweigh all others.

On the other hand, we felt the strongest objection to any course which would have placed us in the position of having repudiated our obligations. In our view, the proper way to treat the June instalment was to consider it as merged in the body of the debt which we had already discussed informally, and as to which we were prepared to enter upon formal negotiations as soon as they could be arranged. We therefore decided that, in order to make perfectly clear our view that the suspension of the June payment did not and was not intended to prejudice the ultimate settlement, we would propose to make a payment of 10 million dollars as an acknowledgement of the debt, pending a final settlement. I am happy to say that the President, while formally taking note of our communication, has issued a statement which shows that he has appreciated the spirit in which our proposal was made, and he has expressed himself in terms which I

propose to read to the House and which will, I am sure, give as much satisfaction to the House as they have to His Majesty's Government. After remarking that:

'Such payment does not of course in any sense prejudice the freedom of either Government in any subsequent discussion of the entire debt question which will take account of this and other debt payments',

he adds in a later passage:

'It seems the part of fairness and wisdom to postpone formal representations on the debt subject until later. Meanwhile the World Economic Conference is beginning under most favourable auspices, and it is vitally necessary that, during the opening days of the Conference, difficult and possibly protracted discussion of the debt be avoided. In a spirit of co-operation I have, as executive noted the representations of the British Government with respect to the payment of the June 15 instalment, inasmuch as the payment made is accompanied by a clear acknowledgement of the debt itself. In view of those representations, and of the payment, I have no personal hesitation in saying that I do not characterize the resultant situation as a default.'

I need only add that we propose to make this payment in silver, which we have been informed by the United States Government will be accepted at 50 cents a fine ounce. The Government have acquired this silver from the Government of India.

The various documents exchanged between the two Governments have been printed and will be available in the Vote Office this evening. From them it will be seen that the Government have asked when and where the formal negotiations about the whole debt question can be begun, and that the President has suggested that they should be taken up in Washington as soon as convenient. I trust the House will feel satisfied, as we on this bench feel satisfied, that this very difficult and delicate problem has been adjusted in a manner which is of good augury for the success of the World Conference, and which may prove to be the first step towards the complete and final settlement of the whole question of war debts.

(vi) *Note from the British Ambassador at Washington to the United States Secretary of State, November 6, 1933*¹

His Majesty's Government in the United Kingdom made clear their general views on the war debts question in correspondence which

¹ British White Paper, Cmd. 4448.

took place in November and December of last year, and in personal discussions undertaken during the visit of the Prime Minister last April and by the present mission, and it will be unnecessary to repeat the reasons for which they feel a radical revision of the present funding agreement is imperative.

His Majesty's Government had hoped that it would prove possible for such a revision to take place without any lapse of time, and they are greatly disappointed that it has not been possible during recent negotiations to reach an agreement for a final settlement of the war-debt question.

They recognize, however, the difficulties in the way of reaching a final agreement at the present time by reason of the unsettled economic and financial situations, and they are accordingly prepared, without prejudice to their position in the future, to make a further payment on December 15 next, as in June last, in acknowledgement of the debt pending a final settlement. His Majesty's Government understand that it is no longer in the power of the President to accept payment in silver at a price of 50 cents an ounce, and they accordingly propose to make a payment of $7\frac{1}{2}$ million dollars in United States currency on December 15 next.

Finally His Majesty's Government will be ready to resume negotiations on the general question whenever, after consultation with the President, it may appear that this can usefully be done.

(vii) *Reply of the United States Secretary of State to the British Ambassador, November 6, 1933*¹

I have the honour to acknowledge the receipt of your Excellency's communication, dated November 6, 1933, dealing with the question of the indebtedness of the British Government to the United States.

The American Government share the disappointment of His Britannic Majesty's Government that the recent conversations did not result in a concurrence of views, and thus made an adjournment advisable pending a further clarification of the several factors, including the present unsettled economic and financial situations.

Due note has been taken of the intention of His Britannic Majesty's Government to make a further payment on December 15 next, as on June 15 last, in acknowledgement of the debt pending a final settlement, in the sum of $7\frac{1}{2}$ million dollars, American currency. The American Government has also noted the disposition of the British Government to resume negotiations on the general question at a later date.

¹ British White Paper, Cmd. 4448.

In this general connexion, I venture to recall the comments contained in Mr. Phillips's Note of June 15, 1933,¹ to you, respecting the limitations on the President's power in the matter of debts owed to the United States.

(viii) *Statement by President Roosevelt, November 7, 1933*²

For some weeks the representatives of the British Government have been conferring with the representatives of the Government on the subject of the British debt to this country growing out of the World War. The conversations were requested by the British Government in its Notes of last June and December,³ a request to which I gladly acceded in view of the policy which I announced in November 1932, that a debtor may at any time approach a creditor with representations concerning the debt and asking for a readjustment of the debt or its terms of payment.

The conversations, now concluded, have in no sense prejudiced the position which either Government has taken in the past or may take in any subsequent discussion of the entire debt question. They have, however, given an opportunity for a full and frank discussion of the representations which the British Government has made. These discussions have made clear the great difficulty, if not impossibility, of reaching sound conclusions upon amounts of international payments practicable over any considerable period of time, in the face of the unprecedented state of world economic and financial conditions.

It has, therefore, been concluded to adjourn the discussions until certain facts in the world situation—commercial and monetary—become more clarified. In the meantime I have, as Executive, noted the representations of the British Government. I am also assured by that Government that it continues to acknowledge the debt without, of course, prejudicing its right again to present the matter of its readjustment, and that on December 15, 1933, it will give tangible expression of this acknowledgement by the payment of 7½ million dollars in United States currency. In view of these representations, of the payment, and of the impossibility at this time of passing finally and justly upon the request for a readjustment of the debt, I have no personal hesitation in saying that I shall not regard the British Government as in default.

¹ See (iii) above, p. 123.

² British White Paper, Cmd. 4448.

³ See above, p. 120, and *Documents* for 1932, pp. 36-7, 49-61, 77-8, 79-80.

3. THE GOLD CLAUSE IN INTERNATIONAL BOND AGREEMENTS

One of the repercussions of the currency instability of recent years has been to raise an important legal problem in connexion with the gold clause in bond agreements. In making bond issues, it has been customary to insert a perpetual guarantee of payment of principal and interest in gold coin of a fixed weight and fineness in force at the time of the issue. With the depreciation of the currency in which the issue was made, the important problem has arisen of whether the debtor is legally justified in making payment in paper currency to the nominal value of his obligation, or whether he should be compelled to pay at a sufficient premium in paper currency to ensure that the payment shall have the gold value stipulated in the agreement. The problem had arisen before the widespread suspension of the gold standard in the latter part of 1931, in connexion with the action of the Brazilian and Yugoslav Governments in making nominal paper payments on a series of Brazilian and Serbian Government issues made in gold francs (French) before the War, and therefore before the devaluation of the franc. These cases came before the Permanent Court of International Justice for adjudication in 1929, and judgement was given in favour of the bondholders. The case of the debtors in these, and other cases which have arisen since, has rested on the contention that since gold coins have in nearly all countries ceased to circulate as legal tender, their obligation to pay in gold coin, or in other form save in the stated amount of the current legal tender of the country, has lapsed. The bondholders contend that the provision for payment in gold coin was not intended to be construed literally to denote the medium of payment, but was inserted to provide a standard of value to safeguard them against such eventualities as have now actually occurred.

With the widespread suspension of the gold standard and the depreciation of many currencies below their gold parities since 1931, the problem has recurred in acute form. An action brought by a British bondholder against the Société Intercommunale Belge d'Electricité, in respect of sterling bonds issued by them in 1928 on which paper payments had been made, was defeated in the Chancery Court in 1932 and was dismissed by the High Court of Appeal on April 18, 1933.

Meanwhile the suspension of the gold standard by the United States on April 12, 1933, was the signal for widespread repudiation by American debtors of the gold clause in their dollar bonds, which received the approval, and was reinforced by the example, of the American Government, in contrast to the attitude of the French and Belgian Governments, which announced their intention of paying a premium on their dollar-bond obligations such as would equalize the currency depreciation. The movement spread to Germany when, on May 12, Dr. Schacht informed the Bank for International Settlements that nominal payment only would be made on the dollar, sterling, and Swedish kronor *tranches* of the German 5½ per cent. (Young) Loan of 1930, which contains a gold clause, in contrast to the Dawes Loan of which only the American *tranche* bears this guarantee. Dr. Schacht cited the American precedent and the decisions in the British Courts in support of his action, which was strongly deprecated by the Bank for International Settlements in the communiqué announcing his decision.¹

¹ See below, p. 132.

On June 5, 1933, the United States Congress legalized American repudiations by declaring that any obligation 'which purports to give the obligee a right to require payment in gold or a particular kind of currency' should henceforth be discharged 'upon payment, dollar for dollar, in any coin or currency which at the time of payment is legal tender for public or private debts', basing their action on the contention that existing provisions 'obstruct the power of the Congress to regulate the value of the money of the United States, and are inconsistent with the declared policy of the Congress to maintain at all times the equal power of every dollar'.¹

In accordance with this legislation, the British Government transferred a half-year's interest on its 1917 dollar loan in paper dollars on August 1, 1933, but simultaneously offered to convert the issue into sterling bonds on terms advantageous to the holders.

Finally, the position of those foreign debtors who based their actions on the decision of the British Court of Appeal has been somewhat undermined by the final decision in the case *Feist v. Société Intercommunale Belge d'Electricité*, in which Lord Russell, in the House of Lords, gave judgement in favour of the bondholder, and established a British legal precedent that the gold clause is not intended to denote the mode of payment but to provide a measure of the obligation.²

(i) *Statements issued by the Bank for International Settlements, May 12, 1933*³

(a) *German Five-and-a-Half per Cent. Loan, 1930.*

The President of the Bank for International Settlements announces that the Finance Minister of the German Reich has to-day (May 12) informed the Bank for International Settlements, in its capacity as trustee of the German Government International Five-and-a-Half per Cent. Loan, 1930 (Young Loan), that, in view of the decisions of certain Courts of Great Britain to the effect that the interest and principal of sterling bonds containing the gold clause are nevertheless payable in sterling at the nominal amount only, and also in view of the action of the United States Government to the effect that dollar bonds containing a gold-coin clause are payable in current legal tender at the nominal dollar amount only, consequently, provision will be made for the payment of the interest due June 1, 1933, on the dollar, sterling, and Swedish kronor *tranches* of the German Government International Five-and-a-Half per Cent. Loan in those currencies at the nominal amount only of the respective coupons and not on a gold value basis.

The general bond securing all *tranches* of the loan provides:

The principal and interest of each bond shall be payable . . . in

¹ See below, p. 134.

² See below, p. 135.

³ *The Times*, May 16, 1933.

the currency of the country in which it is issued, the unit of such currency being defined . . . in all circumstances by the weight of fine gold determined by law as at present in force. The bondholder is entitled to receive the equivalent at the due date of the same gold value in the currency of the place of payment, but not less than the nominal amount of the principal and interest specified in each bond.

Since September, 1931, when sterling and the Swedish kronor left the gold standard, the above-quoted clause has been faithfully observed by the German Government, all maturities of the coupons of the British and Swedish *tranches* having been paid at the full gold value. Thus on December 1, 1932, the sterling coupon in the nominal amount of £2 15s. was in fact paid at £4 3s.

The Bank for International Settlements, as trustee for the bondholders, has informed the German Government that it cannot agree to the proposed change providing for payment on June 1, 1933, in the various currencies at the nominal amount only of the respective coupons and not on a gold basis; and, further, that it considers that such a change is contrary to the obligations undertaken in the general bond. Consequently the trustee has requested the German Government to continue to comply with the terms of the general bond in the same manner as heretofore, and has reserved all the rights of the bondholders with respect to coupons maturing June 1, 1933, and with respect to sinking fund payments due.

(b) *German External Loan, 1924.*

The trustees of the German External Loan, 1924, announce that the Finance Minister of the German Reich has to-day (May 12) informed them, through their fiscal agents, that it is the intention of the German Government to effect future payments on account of the American *tranche* of the German External Loan, 1924, in legal tender current in the United States at the nominal dollar amount of the coupons and bonds now outstanding.

The definitive bond of the American *tranche* of the German External Loan, 1924, provides for payment of principal and interest 'in gold coin of the United States of America of the standard of weight and fineness existing on October 15, 1924'.

The trustees of the German External Loan, 1924, have notified the German Government that the proposed method of payment does not appear to them to correspond to the strict terms of the definitive bond, and that they reserve all the rights of the bondholders.

(ii) *Resolution of Congress to Assure Uniform Value to the Coins and Currencies of the United States, June 5, 1933*¹

Whereas the holding of or dealing in gold affects the public interest, and is therefore subject to proper regulation and restriction; and

Whereas the existing emergency has disclosed that provisions of obligations, which purport to give the obligee a right to require payment in gold or a particular kind of coin or currency of the United States, or in an amount in money of the United States measured thereby, obstruct the power of the Congress to regulate the value of the money of the United States and are inconsistent with the declared policy of the Congress to maintain at all times the equal power of every dollar, coined or issued by the United States, in the markets and in the payment of debts. Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) every provision contained in or made with respect to any obligation which purports to give the obligee a right to require payment in gold or a particular kind of coin or currency, or in an amount in money of the United States measured thereby, is declared to be against public policy; and no such provision shall be contained in or made with respect to any obligation thereafter incurred. Every obligation, heretofore or hereafter incurred, whether or not any such provision is contained therein or made with respect thereto, shall be discharged upon payment, dollar for dollar, in any coin or currency which at the time of payment is legal tender for public and private debts. Any such provision, contained in any law authorizing obligations to be issued by or under authority of the United States, is hereby repealed, but the repeal of any such provision shall not invalidate any other provision or authority contained in such law.

(b) As used in this resolution, the term 'obligation' means an obligation (including every obligation of and to the United States, excepting currency) payable in money of the United States; and the term 'coin or currency' means coin or currency of the United States, including Federal Reserve notes and circulating notes of Federal Reserve banks and national banking associations.

SEC. 2. The last sentence of paragraph (1) of subsection (b) of section 43 of the Act entitled 'An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural

¹ *United States Daily*, June 10, 1933.

indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes', approved May 12, 1933, is amended to read as follows:

'All coins and currencies of the United States (including Federal Reserve notes and circulating notes of Federal Reserve banks and national banking associations) heretofore or hereafter coined or issued, shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, except that gold coins, when below the standard weight and limit of tolerance provided by law for the single piece, shall be legal tender only at valuation in proportion to their actual weight.'

- (iii) *Extract from the Judgement by Lord Russell of Killowen in the House of Lords in the Case of Feist v. Société Intercommunale Belge d'Electricité.*¹

My Lords, I share the views of Mr. Justice Farwell and Lord Justice Lawrence that the question of construction is a difficult one, but after careful consideration of all the contractual provisions of the bond,

I have come to the conclusion that we should give to the gold clause the meaning and effect for which the bondholder primarily contends.

The Courts below in construing the bond have started with the assumption that the bond must be, as is stated on its face, a bond for £100; they then construe the words of the gold clause literally, and hold that its sole intention is to obtain payment in one particular form of tender only, and that intention must be defeated by the operation of the law.

For myself I approach the question of construction in a different way.

I consider first the state of affairs existing at the date of the bond. The Gold Standard Act, 1925, had exempted the Bank of England from obligation to pay its own notes in legal coin, but had provided that such notes should not thereby cease to be legal tender. Further, it had repealed the provision of the Currency and Bank Notes Act, 1914, entitling the holder of a currency note to be paid its face value in gold coin. It had, however, provided that the Bank of England should be bound to sell on demand gold bullion at the price and as therein specified to any person on demand, but only in the form of bars containing approximately 400 oz. troy of fine gold.

The Currency and Bank Notes Act, 1928, had received the Royal

¹ *Financial News*, December 16, 1933.

assent, though it did not come into operation until November 22, 1928. By that Act, the Bank of England was authorized to issue bank-notes for £1 and for 10s. which were to be legal tender for any amount. Existing currency notes were converted into bank-notes, the Bank becoming liable upon them; and the Bank was empowered to require any person in the United Kingdom owning gold coin or bullion to an amount exceeding £10,000 in value to sell it to the Bank on payment (in the case of gold coin) of the nominal value thereof. The country was on the gold standard, but the notes were inconvertible and gold coin was substantially no longer in circulation.

These being the circumstances and conditions of the time, it is not I think improper or hazardous to make two surmises:

- (1) That the gold clause was inserted in clauses 1 and 2 of the bond in contemplation of the contingency of this country going (as it did in 1931) off the gold standard at some future date; and
- (2) That neither party to the bond can have contemplated payment under the bond being actually made in gold coins.

I turn to the bond to see if, from the contents of the document itself, it is apparent that the parties did not use the words of the gold clause in accordance with the literal meaning which they would bear if considered apart from the rest of the document and the circumstances which surrounded its execution.

A consideration of clause 2 will show, I think, that, as there used, the words must mean something other than what they say; for, translating the $5\frac{1}{2}$ per cent. by equal half-yearly payments into the appropriate figures, it becomes a provision for the payment of £2 15s. 'in gold coin of the United Kingdom'.

The same consideration applies to the interest coupons, which, with their express provision for deduction of income-tax, would be purporting to provide for a payment 'in gold coin of the United Kingdom' of a sum (to-day) of £2 1s. 3d.

Again, if one looks at clause 4 of the bond, the reference which it contains to gold coin of the United Kingdom cannot bear its literal meaning. There is no issue or amount outstanding 'in gold coin of the United Kingdom'. Taking even clause 1 by itself, it would be practically impossible to fulfil its literal requirements even if a sufficiency of gold coin were still in circulation, for according to its strict reading, the coins tendered would all have to be coins of the exact standard of weight and exact standard of fineness specified in the Coinage Act, 1870, without remedy, allowance, or variation from the standards. Thus, neither in clause 1 nor in clause 2 can the

words have been intended by the parties to carry their literal interpretation.

I therefore ask myself this question. If the words of the gold clause cannot have been used by the parties in the sense which they literally bear, ought I to ignore them altogether and attribute no meaning to them, or ought I, if I can discover it from the document, to attribute some other meaning to them? Clearly the latter course should be adopted if possible, for the parties must have inserted these special words for some special purpose, and if that purpose can be discerned by legitimate means, effect should be given to it.

In my opinion the purpose can be discerned from clause 4, in which the reference to gold coin of the United Kingdom is clearly not a reference to the mode of payment, but to the measure of the company's obligation. So, too, condition 6, which again is a clause not directed to mode of payment, but to describing and measuring liability, shows that the words are used as such a measure.

In just the same way I think that in clauses 1 and 2 of the bond the parties are referring to gold coin of the United Kingdom of a specific standard of weight and fineness not as being the mode in which the company's indebtedness is to be discharged, but as being the means by which the amount of that indebtedness is to be measured and ascertained. I would construe clause 1 not as meaning that £100 is to be paid in a certain way, but as meaning that the obligation is to pay a sum which would represent the equivalent of £100 if paid in a particular way; in other words, I would construe the clause as though it ran thus (omitting immaterial words):

'pay . . . in sterling a sum equal to the value of £100 if paid in gold coin of the United Kingdom of or equal to the standard of weight and fineness existing on the 1st day of September, 1928.'

I would similarly construe clause 2.

I am conscious, my Lords, that this construction strains the words of the document, and that it fits awkwardly with some of its provisions. Thus, for instance, the half-yearly payments in accordance with the coupons (which are described in clause 2 as equal) may, in fact, not be equal. But I prefer this to the only other alternatives, viz., attributing no meaning at all to the gold clause, or attributing to it a meaning which, from other parts of the document and the surrounding circumstances, the parties cannot have intended it to bear.

We were, in the course of the argument, referred to certain decisions and judgements in cases which came before the Permanent Court of International Justice sitting at The Hague.

I do not, I need hardly say, treat these as in any way binding upon me. Indeed the relevant facts and words under consideration were very different from those which have been under consideration here. I would like, however, to cite one passage as stating happily and succinctly the considerations and principles which have influenced me in arriving at the conclusion which I have reached.

It occurs in the judgement dealing with certain Serbian loans stated to be payable both as to principal and interest in gold. It runs thus:

‘As it is fundamental that the terms of a contract qualifying the promise are not to be rejected as superfluous, and as the definitive word ‘gold’ cannot be ignored, the question is: what must be deemed to be the significance of that expression? It is conceded that it was the intention of the parties to guard against the fluctuations of the Serbian dinar, and that, in order to procure the loans, it was necessary to contract for repayment in foreign money. But, in so contracting, the parties were not content to use simply the word ‘franc’, or to contract for payment in French francs, but stipulated for ‘gold francs’. It is quite unreasonable to suppose that they were intent on providing for the giving in payment of mere gold specie, or gold coins, without reference to a standard of value. The treatment of the gold clause as indicating a mere modality of payment, without reference to a gold standard of value, would be not to construe but to destroy it.’

I would allow this appeal, and substitute for the declaration made by Mr. Justice Farwell a declaration in the following terms:

‘Declare that upon the true construction of the bond the appellant is entitled as holder thereof to receive from the respondents from time to time, by way of principal and interest thereunder, and on the due dates of payment therefor, such a sum in sterling as represents the gold value of the nominal amount of each respective payment, such gold value to be ascertained in accordance with the standard of weight and fineness existing on September 1, 1928, and that accordingly every “pound” comprised in the nominal amount of each such payment must be treated as representing the price in sterling (calculated at the due date of payment) of 123·27447 grains of gold of the standard of fineness specified in the First Schedule to the Coinage Act, 1870, and any fraction of a “pound” comprised in the nominal amount of any such payment must be treated as representing the price in sterling (calculated at the due of date payment) of a corresponding fraction of 123·27447 grains of gold of the same standard of fineness.’

II. DISARMAMENT AND SECURITY

1. DISARMAMENT¹

When the Disarmament Conference reassembled in January 1933 it did so under the influence of the fillip supplied by the Five-Power Agreement of December 11, 1932, which had temporarily solved the problem of German equality and had succeeded in bringing Germany back to Geneva.² This agreement had centred round the principle that Germany and other Powers disarmed by the Peace Treaties should be granted 'equality of rights in a system which would provide security for all nations', and it was the object of the resumed Conference to translate this formula into practical terms.

The Conference had before it the French Plan³ and the British proposals,⁴ both of which had been put forward in the previous November. But, as the discussion on these projects progressed, it became clear that no agreement was in sight and that Germany was once more becoming restive at the inevitable delay. The final deadlock was arrived at on March 9, when M. Massigli declared on behalf of France that so long as it was not known whether States would be called upon to face an attack with their own resources alone, and so long as it was not known whether equality of rights would correspond with equality of obligations, a number of States, others as well as France, would be unable to say whether they would be prepared to forgo many of their weapons.

The deadlock had been foreseen as inevitable for some time, and on March 4 Mr. Anthony Eden, Under-Secretary of State for Foreign Affairs, who had been recalled, gave to the British Cabinet a full and detailed account of the situation. Convinced by Mr. Eden's statement that the situation was of the gravest and that the Disarmament Conference, if not moribund, was something very like it, the Government hurried forward the preparation of a draft Disarmament Convention, which had been for some time under consideration by the Service Departments and the Foreign Office. Armed with this, Mr. Ramsay MacDonald and Sir John Simon left London for Geneva on March 9, having a short interview with M. Daladier on their way through Paris, and at once began a series of conversations with the chief representatives at the Conference of the United States, France, Germany, and Italy, and on March 16 Mr. MacDonald presented the new British Disarmament Plan to the General Commission, accompanying it with a long explanatory address.⁵

The British Plan would, he said, satisfy nobody; it was not a shop-window affair or a message from Mars, but a business document covering the whole field of Disarmament. It was less a British Government proposal than a service to the Conference, and aimed at preventing an adjournment at this moment which would be 'the most heartbreaking confession of failure that the Conference could indulge in'. 'We begin our draft proposals,' added Mr. MacDonald, 'with articles dealing with the organization

¹ See *Survey* for 1933, Part II. ii., and also *The Deadlock in Disarmament* by John W. Wheeler-Bennett, 1934.

² See *Documents* for 1932, p. 233.

³ *Ibid.*, p. 217.

⁴ *Ibid.*, p. 227.

⁵ See below, p. 144.

of peace. And there we lay down quite plainly that no nation which has signed the Agreement of this Conference, which I hope it is going to sign, can be indifferent to a breach of the Kellogg Pact by any other nation. We couple that with the provision relating to supervision, which will give some security that whatever obligations have been undertaken are being actually carried out. In this connexion the draft makes use of the idea expressed at such a timely moment, and so clearly and emphatically, by Mr. Stimson, the late Secretary of State to the United States Government.¹

The Draft Convention² itself was a genuinely honest attempt to translate into practical terms the Agreement of December 11, both in regard to German equality and also to French security. For that reason it made a number of concessions to the different viewpoints concerned. It adopted the principle of the French proposals for the standardization of armies for the continental European States on the lines of conscript militia, but offered an alternative to the security proposals contained in the French Plan. A table showed the averages of daily effectives not to be exceeded under two heads—Home and Overseas Forces, in which Germany was to have 200,000 troops at home and none overseas, and France 200,000 at home, and 200,000 overseas.

As regards naval reductions the object was to extend the Treaty of London to include France and Italy, and further to stabilize the remaining naval forces of other Powers at the figures reproduced in the Armaments Year Book for 1932, that is to say, to hold the situation created by the London Naval Treaty until the Conference due in 1935. The truce in capital ship construction would be extended to all, except that Italy might lay down one vessel, France having already laid down the *Dunquerque*, which in its turn was a reply to the German 'pocket-battleship' *Deutschland*. There would be no construction of 8-inch gun cruisers except as already provided for, and all other construction would be purely replacements and conform to the qualitative limitations already enforced. Germany would be free from the Versailles limitations, but her naval position would be stabilized up till the end of 1936 at its existing condition. She would conform to the truce in the construction of capital ships and limit her other vessels to replacement, the qualitative limitations of Versailles being removed.

Discussion on the British Draft Convention proceeded desultorily until the Easter adjournment on March 27 and continued after the reassembly on April 26. German opposition, however, became more and more obdurate, till by the beginning of May a complete deadlock had been reached. Herr Nadolny had refused to consider the proposal of transforming the Reichswehr into a short-term militia, and was even opposed to the acceptance of the British Plan as a basis for a future Convention. He also refused point blank to admit of the incorporation of the semi-military organizations, such as the Storm Troops and the Stahlhelm, in the total of Germany's effectives, and demanded for Germany that the question of standardization be left over for discussion by a future Permanent Commission, after the Disarmament Convention had been signed, claiming that in the meantime

¹ This was a reference to the address delivered by Mr. Stimson before the Council on Foreign Relations in New York on August 8, 1932. See *Documents* for 1932, pp. 295-303.

² See below, p. 151.

Germany could retain both the Reichswehr in its present form and the semi-military organizations, in addition to repeating the claim for equality in offensive, as well as defensive, weapons. This attitude was tantamount to tearing out the whole of the chapter on standardization from the Draft Convention.

This was not the only aspect of German foreign policy which had disturbed Europe. Nazi activities in Austria and other neighbouring States, taken in conjunction with the unfortunate reversion of Herr von Papen's speeches to the pre-war Prussian doctrine of 'blood and iron', the general horror which was felt throughout Europe at the excesses of the 'Brown terror', and the belief widely held that Germany was secretly rearming, all combined to produce in Europe a situation so serious and tense that there were not wanting those who believed that war might result from it.

Herr Hitler was not slow to see the effect of his policy upon the world, and realized that, if he was to have a requisite amount of time for consolidating the Revolution in Germany, he must make some gesture which would reassure Europe of his peaceful intentions. He therefore summoned the Reichstag to meet on May 17 and let it be known that he would make to them a declaration of policy. The world, however, remained uncertain as to whether the gesture which the German Chancellor was to make would be one of peace or defiance, and so great was the general apprehension that the latter might be the case that President Roosevelt took this opportunity of addressing to the rulers of the world a message indicating the only line of policy upon which America could co-operate for the preservation of international peace.

On May 16, that is to say the day before the Reichstag session, the President of the United States addressed to the Emperors, Kings, and Presidents of the 54 States participant in the Disarmament and Economic Conferences, a Message¹ on political and economic peace, in which he called upon them to take four steps in which the United States would co-operate: (1) to accept and act upon the British Disarmament Plan; (2) to agree upon the time and procedure of taking the steps which were to follow; (3) to agree that while the first and following steps were being taken no nation should increase its existing armaments over and above the limitation of treaty obligations; (4) that all nations should enter into a solemn and definite Pact of Non-Aggression; that they should solemnly reaffirm the obligations they had assumed to limit and reduce their armaments, and, provided that these obligations were faithfully executed by all signatory Powers, individually agree that they would send no armed force of whatsoever nature across their frontiers.

The concluding words of the President's Message struck a warning note to any potential peace-breaker; 'if', he said 'any strong nation refuses to join with genuine sincerity in these concerted efforts for political and economic peace . . . the civilized world will know where the responsibility for failure lies'.

It was with this warning ringing in his ears that Herr Hitler mounted the tribune of the Reichstag on the following day to make his much expected statement.² After ascribing most of the world's ills to the Treaty of Versailles which, though it provided no solutions for the world's

¹ See below, p. 194.

² See below, p. 196.

problems, no German Government would of its own accord break without being able first to supplant it by a better one, the Chancellor passed on to make some concrete proposals. 'No fresh European war,' he declared, 'was capable of putting something better in the place of the unsatisfactory conditions which to-day exist . . . the outbreak of such a madness without end would lead to the collapse of the existing social order in Europe.' He then repeated the basis of Germany's claim to equality, but added 'Germany is at any time ready to assume further international security obligations if all nations are prepared to do so and Germany benefits thereby. Germany is also ready without further ado to dissolve her entire military forces and destroy the weapons left to her if other nations will do the same. If, however, they are not willing to carry out the disarmament stipulations of the Treaty of Versailles, then Germany must at least maintain her claim to equality.'

The Chancellor declared that his Government would accept the British Plan as a starting-point for the solution of the disarmament problem on two conditions. First, the destruction of the existing German defence system must not be imposed without the concession of qualitative equality; and, secondly, the transformation of the present system, which was not desired by, but was forced upon, Germany, must proceed in proportion as the other States actually disarmed. Germany was ready to renounce instruments of aggression if, during the five years of transition, other nations made the same renunciation. She was ready to accept the five-year transitional period for the restoration of her national security in the expectation that after that period a real equality would have been achieved with other nations. Further, she was prepared to accept a general international control of armaments, and would include in that control organizations the non-military character of which could thus be established clearly before the world. In return, Germany insisted that the French colonial troops must be reckoned as part of the French Army, as they could be used at once on the mainland of France.

Referring to President Roosevelt's Message, the Chancellor welcomed it warmly and was ready to accept it as a method of relieving the international crisis. Germany was ready to join in any Non-Aggression Pact, for she was not thinking of any attack but only of her own equality, and he welcomed the possibility suggested in President Roosevelt's proposal of bringing the United States into European relations as a guarantor of peace. The German Government wished nothing better than to settle all difficult questions with other countries by peaceful methods. Germany would tread no other path than that laid down by the Treaty, and would discuss all the political and economic questions only within the framework of and through the Treaties.

As a rider to these guarantees of the new Germany's pacific intentions, Herr Hitler added a warning note to the effect that, as a permanently defamed people, it would be impossible for Germany to continue to belong to the League of Nations.

The effect of this speech was greatly to ease the tension of the situation, which was still further relieved a few days later, when the German delegate to the Disarmament Conference withdrew his objections to the British Draft Convention and accepted it 'not only, as hitherto, as a basis of discussion

but as basis for the future Convention itself', and that any modification which he might propose would be 'in conformity with this new idea'.

Encouraged by this new attitude on the part of Germany, the Conference was still further delighted by a statement made on May 22 by Mr. Norman Davis on behalf of the Government of the United States.¹ This statement was the practical complement to President Roosevelt's Message and, it was hoped, was a definite indication of a return to Europe on the part of the United States. In explaining what his Government were prepared to do, Mr. Davis said 'we are willing to consult with other States in case of a threat to peace with a view to avoiding a conflict. Further than that, in the event of the States in Conference determining that a State has been guilty of a violation of its international obligations and taking measures against the violator, then, if we concur in the judgement rendered as to the responsible and guilty party, we will refrain from any action tending to defeat such collective efforts which the States may thus make to restore peace.' Mr. Davis went on to express his approval of the British Draft Convention and to promise full support for its adoption. He suggested that armaments should be reduced to the levels laid down in the Peace Treaties, and added that the United States was also prepared to assist in formulating and taking part in a system of adequate supervision to ensure the effective carrying out of any measures for disarmament.

It may readily be understood with what relief and pleasure the delegates received this statement, which was submitted subsequently in the form of a draft declaration on May 24,² for it appeared to destroy the bogey which has always lurked in their minds of American warships convoying American merchantmen through a League blockade of any potential Covenant-breaker.³

Sir John Simon, in welcoming on May 24 the American declaration, presented⁴ at the same time a set of new Articles which were to take the place of the original Part I of the British Draft Convention, and which brought that part of the document into harmony with the new American policy, and pointed out that they included a new Article (Article 3) which stated that the provisions of Part I did not in any way prejudice the rights and obligations of the Members of the League, or conflict with or limit the powers and duties of the Assembly and the Council under the Covenant. This, Sir John explained, applied only to Members of the League, and made it clear that nothing proposed in Part I in the least qualified their obligations under the Covenant. Part I in its new form, he contended, provided a suitable foundation for any subsequent co-operation between League Members and non-Members of the League.⁵

¹ See below, p. 208.

² See below, p. 217.

³ Unfortunately the value of Mr. Davis's statement was greatly lessened by the action taken by the United States Senate when, on May 27, 1933, it amended a Joint Resolution empowering the President to declare a simultaneous embargo on all shipments of arms and ammunition, not to the aggressor only, but to *all Parties* involved in a dispute. See below, p. 459.

⁴ See below, p. 214. The text of Articles 1-3 of the British Draft Convention as printed on p. 151, below, is the revised version.

⁵ Other documents relating to Disarmament will be found in § 4, Germany's Withdrawal from the League of Nations and the Disarmament Conference, and § 5, The German Claim to Equality of Rights in Armaments.

(i) *Extracts from Statement by the Rt. Hon. J. Ramsay MacDonald, March 16, 1933*¹

The Conference had been making a thorough survey of problem after problem, and group of problems after group of problems, in compartments. He wondered whether the members of the Conference agreed with the United Kingdom delegation that it was very likely that that method of dealing with the problem had now yielded its maximum usefulness, and that very little further progress could be made unless somebody, some delegation, some group of delegations, was bold enough to present a complete plan. What was happening? The delegations were faced with the problem of what to do in respect to this question, to that question, and to the other question, but perfectly obviously, after they had faced the more superficial aspects of the separate questions, they wanted to know in relation to a complete plan what they were actually giving and what they were actually getting. Therefore, when the departmental, or compartmental, exploration had gone on to a certain extent, it could not be finished until somebody, co-ordinating all the different problems, and setting one statement and one declaration against another, had provided the complete scheme that the Conference could pass in order to give security, disarmament, and hope for the future. Until such a scheme had been placed before the Conference, it could not complete its examination of compartmental problems and questions.

No State that had anything at stake, no State with any great responsibilities, could give an answer to compartmental questions unless it had before it a balance-sheet showing, on one side, what it was going to give, what risks it was going to run, and on the other side, what it was going to get by way of security and by a diminution of the risks it was prepared to run. . . .

. . . He therefore ventured, on behalf of the United Kingdom delegation, to make a suggestion in the form of a document covering the whole field of disarmament. If Herr Nadolny wanted to know, not only what he was expected to give, but what he was going to get, he had the right to say 'Let me see it on the two sides of the ledger'. If M. Daladier was asked to do anything by way of sacrifice, he had the right to say: 'Let me see the other side of the ledger; I cannot sacrifice everything for nothing, but I will sacrifice military security if I can get another kind of security that makes my heart as tranquil as it is before I make the sacrifice.' That was the whole problem

¹ Minutes of the General Commission of the Disarmament Conference, Vol. II, League Document, 1933, ix. 10, pp. 352-7.

which the delegations had to face; they had to face the problem of a transfer of the nature of security, and therefore he regarded the document presented on behalf of the United Kingdom delegation far less as a proposal of the United Kingdom Government than as a service done to the Conference and to disarmament.

The document proceeded from the assumption of the final condition declared by the Five-Power Conference.¹ There must be no mistake about that. How often had there been a gathering more representative than the present Conference, a gathering of States more varied in civilization, history, origin, or mentality? But, irrespective of national differences, could it be said that any people, when striving for a great reform that went deep down into the substance of things, had obtained that reform within an hour, a day, or a month? What was the great lesson of all revolutions? That when political revolutions had been completed they ended exactly at the point where they had begun, and that the constructive brains of the people who had been revolutionized had to begin to build, perhaps not at the foundation, but at any rate in the place where the foundations of the old order had been. And, if the States were to begin a really new volume of the history of Europe since the last war, they must begin to adapt their method of conduct to the processes of nature itself. The United Kingdom plan, therefore, assumed a transition period.

The representatives of the disarmed States could, of course, by holding up business, by threats and so on, obtain a certain superficial appearance of a victory. But there was no use in deceiving themselves, and there was no use in deceiving other people. They would have done very little if all they secured was something screwed out of a Conference like the present one.

On the other hand, those countries which were armed and those which were disarmed could find a common ground in trying to solve the practical problems of an abiding peace. They could do so by saying to each other: 'There is going to be a transition period, during which we move from the state of "is" into the state of "is to be"; from the present with its experienced evil into the future with its anticipated good.' . . .

. . . The draft stated final conditions but assumed a transition period. The transition period was one of practical accommodation, but he wanted to make it clear that he and his colleagues had not been able to complete all the inquiries that they would have liked to make. The plan had been carefully considered in general before

¹ Declaration of December 11, 1932. See *Documents* for 1932, p. 233.

he had left London, but, in its particular form and in its particular provisions, it might show the very hurried conditions in which the United Kingdom delegation had had to do its work, in order not to delay the work of the Conference. There might be errors in the draft. Some delegations would, perhaps, find that the risks suggested for them were too great. Let them, however, study it in a co-operative spirit, and opportunity would certainly be given by the President to enable them to propose alternatives at the proper time.

The draft laid down five characteristics of the transition period. First of all, the period was fixed; it was not indefinite; the draft suggested five years. The second characteristic was that reductions in armaments were proposed in order to prove the delegation's *bona fides* to the world. The present Conference was not a rearmament conference. The third characteristic was a proposal for international control, in order to ensure that the Convention, signed solemnly by all the delegations at Geneva, would be carried out and not shirked by any. The fourth characteristic was the setting up of bodies like the Permanent Disarmament Commission to study further reductions and to try and get solutions for unsolved difficulties. The fifth was the affording of opportunity for political work for the purpose of restoring confidence, so that the fears with which the Conference had had to contend would be removed before its next meeting, fixed for a few years hence.

One thing it was essential to say. There were figures in the draft. Nobody had ever tried to produce figures before. And why? Because every one had been afraid to do so. It was, therefore, a bold step to produce figures: as a matter of fact, in one respect it had been a gratuitous step. But it had been necessary that somebody should produce figures before the delegations could get down to the final decisions on the problems separating them.

He was not going to apologize for his figures, although all delegations would want him to do so. But the figures suggested were not as the laws of the Medes and Persians, and if any delegates were to come and say that the figures were imperfect, he would show them that they were imperfect at places they had never discovered. But his excuse and his justification would be that when the Conference had produced its figures, either by a committee or by a commission, those figures would remain just about as imperfect as his were at the present moment. The balancing of disarmament was not a thing that could be done by a chemist's balance. There was a good deal of roughness about it.

The United Kingdom delegation had produced those figures because

it had believed that they had to be produced. He was afraid that the delegations would find a good many errors and, perhaps, not a little injustice in them, but he hoped that they might be examined and the needs of the various nations as recorded in them studied.

... In connexion with this point, why could not those nations which might be aggrieved by the figures come together directly and negotiate them? Why call upon this grave assembly to get them out of their difficulties? He had no sympathy at all with the so-called self-respect or sense of honour which made the representative of one nation say to the representative of another, 'I cannot meet you; I cannot discuss with you'. Let them get on with the business. There were millions of men and women whose welfare depended upon the delegates' common sense. Nothing, be it appreciation of their dignity or of their traditions or of their national mind, would justify them in the eyes either of God or of man in leaving any step untaken which would enable those among them who were most diverse to come together and report to the Conference in due time: 'We are agreed.' Let them look at the realities of things.

The United Kingdom draft proposal began with articles¹ dealing with the organization of peace, and these laid down quite clearly that no nation which had signed the agreement to be concluded by the present Conference could be indifferent to the breach of the Pact of Paris by any other nation. With that was coupled a provision relating to supervision, which would give some security that whatever obligations had been undertaken were being actually carried out. In this connexion the draft made use of the idea expressed at such a timely moment and so clearly and emphatically by Mr. Stimson, the late Secretary of State of the United States of America.² No country must refrain from signing because, with justice, it could ask itself: 'Will these rules ever be carried out? Will agreements concluded here really be fulfilled?' It was that scepticism which was the blight of international peace. Scepticism was the blight of individual life. It was the blight of international and national life. And all that could be done was to attempt, by provisions drafted and solemnly agreed, signed, sealed, and delivered to the Secretary-General of the League of Nations, to shame every nation that still hugged to its breast the blight of scepticism because it was too cowardly to take the risk of belief in other people. That was the point which the United

¹ A new set of articles was substituted on May 24, 1933 (see below, p. 151), which were supplemented by further additions on January 29, 1934 (see footnote, p. 152).

² See *Documents* for 1932, pp. 295-303.

Kingdom delegation desired to make perfectly clear in the instrument it was submitting to the Conference.

In regard to disarmament itself, it had tried to fit into the framework of the draft disarmament convention prepared by the Preparatory Commission the solution which a thorough examination of all questions by the Conference had led it to believe would represent a just basis for negotiation, and which would result in a settlement of the problem.

Take effectives first. Mr. MacDonald had been impressed with the possibilities of simplification afforded by the French proposal for the standardization of continental land armies. On that basis, and inspired by the principle suggested by President Hoover, the United Kingdom delegation had attempted to give a fair estimate of the numbers that should be allowed to each country. Those were the figures given in the draft. No attempt had been made to work out figures of effectives for all the countries of the world, but to grapple only with the central and critical problem represented by Europe itself, and to present it, if not in a way which could be acceptable at once to everybody, at any rate in such a way that the reality of the situation was encountered straight in the face. Reality was the most awkward thing that some countries had to meet, but they were not going to meet it successfully if, like ostriches, they buried their heads in the sand, waiting till it had passed them rather than facing it with courage themselves.

As regarded material, the draft provided for the reduction of heavy material most suited for offensive purposes, namely, tanks and heavy guns.

As regarded naval material, it had to be borne in mind that for some countries, including the United Kingdom, treaty limitations already existed, and such countries were going through a stage of disarmament in advance of the stages in disarmament which other nations, with only air forces and land forces, had yet to go through. These latter countries must play fair with the other countries that had anticipated agreements such as those the Conference was now considering. So far as the naval situation was concerned, there were certain treaties which the parties to them had wanted to be general, and, if those treaties were not general, that was not the fault of the parties. The parties to those treaties were pledged to meet in further conference in 1935, and they were going to do so. They maintained their obligations under those disarmament treaties, they held all other countries to the present levels, and they provided for a conference in 1935, not only of those already pledged but of all countries possessing naval armaments.

In regard to the air, the draft expressed the very general desire of the Conference for the prohibition of air bombardment, with a very slight exception dictated by hard practical considerations. It provided for the continued study of the possibility of realizing this prohibition in the most effective manner, namely, by the total abolition of military and naval aircraft, on the condition of finding satisfactory means of guarding against the misuse of civil aircraft. He would warn those who had not considered that point very carefully that this was a very serious situation. It was a very serious danger to people who frankly and honestly reduced their striking power in the air to find that, quite honestly and properly—on that he had no complaint—alongside the military arm there grew up an enormous civil aviation force which, in the twinkling of an eye, on the receipt of a telephone message, could be transformed into a fighting force. It might not be an efficient force, it might not be a fighting force that Governments would choose for great adventures, but it was a very useful fighting force, especially if there were no military machines to meet it and if the development of the bomb continued to increase in a deadly direction.

He and his colleagues had made a very careful and thorough examination of this problem before coming to Geneva. They had examined it, not merely from the military point of view, but also from the commercial point of view, because civil aviation must not be retarded, and the commercial and industrial interests of the various countries in the manufacture or in the use of civil aircraft must not be penalized. It was a difficult problem. Plan after plan—international control and so on—had been produced by the most expert minds. He would candidly confess that the United Kingdom Government had not yet been able to see a way out of this very serious problem. His Government had not put it on the scrap-heap, however, and did not want to do so. But until a solution had been found that was really watertight and effective, it must not be expected that they would lose hope, because, if hope were lost, the problem could never be solved.

He wished, therefore, to be perfectly clear. In principle, his Government did not defend military aviation. In principle, it would like to see military aviation abolished, but it must not leave itself open to anybody who misused civil aviation and tore to tatters agreements concluded at Geneva or anywhere else. In the meantime, whilst searching for a solution of the major problem, the United Kingdom delegation purposed immediate and progressive reduction of numbers, together with a qualitative reduction which would be a great contribution to quantitative disarmament.

The draft also reproduced the provisions which had already achieved a large measure of agreement at the Conference in regard to chemical, incendiary, and bacterial warfare.

In the same way, it adopted generally the articles concerning the Permanent Disarmament Commission, which had already been under discussion and which had met with general approval.

The Convention, in general, was intended to remain in force for a period of five years, and it contained a provision that within that period a second Disarmament Conference should be convened to prepare and conclude a new Convention, and to carry on the work of limitation and reduction of armaments begun by the present assembly.

Such in very summary outline was the draft Convention proposed by the United Kingdom delegation.

As he had said, each and every country would not find satisfaction in that document. Maybe some would find a little injustice. Some, unfortunately, were very far asunder, so far asunder that it had not been possible to build bridges between them. What could be done? Were the delegations to be turned away, feeling baffled, defeated, divided? No. They must be turned away with knowledge and conviction that, if the bridges had not been built, they were being built, and, what was more important, that the workmen who were building them had got their coats off. Delegates must remember that if they rejected, if they said, 'We cannot agree', that meant that they failed. There would perhaps be risks to some countries in any plan that might be proposed. But if there were no plan, if the delegates went to their various capitals at the end of this Conference as they had left them at the beginning, they would be facing not a risk, but a certainty. Risk was the alternative to certainty. If there were failure, the stream of events would drive with increasing swiftness to catastrophe. The real nature of the alternative must not be overlooked, and he would beg to impress upon the minds of all the delegates that the Conference had not merely the liberty to reject. In their rejection, they would be choosing something. They rejected or they accepted.

He knew that disarmament was not an end in itself. It was a contribution to peace. But he was interested in disarmament for the reason that the measure of disarmament was as near an expression as possible of the measure of peace and safety.

Failure meant no signature, no agreement; it meant the choice of a certainty, unexpressed and hidden, in place of the risk expressed in documents. Failure would let loose the passion that made for war, the vagrant powers which, under the pretence of saving nations and

national honour, destroyed both the body and soul of nations, and not merely nations but the whole of civilization itself.

All those present in that great assembly were there to prevent such a tragic ending of the evolution of man. Had they not enough of enmity and war, of attempts to settle issues by force? They could stop it, they could turn the tide of fear, which at the moment was rushing in increased volume down the high channels of history, into a tide of confidence, goodwill, and peaceful effort. Let the delegates but apply themselves to the practical problems which the realities of the situation presented to them and, in a spirit of give and take, of common sense, of objective reason, approach and solve them.

(ii) *Text of the British Draft Disarmament Convention, March 16, 1933*¹

(As adopted in first reading with Amendments, submitted up to June 21, 1933, printed in the form of footnotes.)

PART I. SECURITY²

Article 1

In the event of a breach or threat of breach of the Pact of Paris, either the Council or Assembly of the League of Nations, or one of the parties to the present Convention who are not Members of the League of Nations, may propose immediate consultation³ between the Council or Assembly and any of the said parties to the present Convention.

Article 2⁴

It shall be the object of such consultation, (a) in the event of a threat of a breach of the Pact, to exchange views for the purpose

¹ League Document. Conf. D/163. Also for text only, British White Paper, Cmd. 4279.

² Articles 1-3 reproduced here were on May 24 (see below, p. 214) substituted by Sir John Simon for Articles 1-5 in the original draft submitted to the Disarmament Conference on March 16. The text of Article 6 is that submitted by the Committee on Security Questions (see below, p. 229) to replace Article 6 in the original draft.

³ See Statement by Mr. Norman Davis on May 24 (see below, p. 216).

⁴ In the *British Disarmament Memorandum* of January 29, 1934, (see below, p. 360) it was suggested that three new articles—2 (a), 2 (b), and 2 (c)—should be inserted between the revised articles 2 and 3. The first of these—2 (a)—would be Article 89 (see below, p. 191) of the present draft Convention, which declares that '*the loyal execution of the present Convention is a matter of common interest to the High Contracting Parties*'. Article 2 (b) would declare: '*The*

of preserving the peace and averting a conflict; (b) in the event of a breach of the Pact to use good offices for the restoration of peace; and (c) in the event that it proves impossible thus to restore the peace, then to determine which party or parties to the dispute are to be held responsible.

Article 3

The provisions of the above article do not in any way prejudice the rights and obligations of the Members of the League, nor conflict with nor limit the powers and duties of the Assembly and Council under the Covenant.

Articles 4 and 5¹

Article 6

The High Contracting Parties recognize that the provisions of Annex Y² of the present Convention are likely to contribute to the maintenance of peace, and accordingly agree to base thereon any decisions which they may have to take, particularly in the Permanent Disarmament Commission, with a view to preventing any breach of the Pact of Paris by a Power which has signed Annex Y, determining the responsibility should such a breach occur and fixing the consequences.

The High Contracting Parties agree to refrain from any action which might hamper the application of the measures to be taken in the cases provided for by Articles IV, V, and VI of Annex Y, and not to recognize any *de facto* situation brought about by the breach of an international obligation on the part of a State recognized as the aggressor in application of the provisions of the said annex.

The High Contracting Parties Members of the League of Nations also undertake to comply with the provisions of Article VI of the

Note 4 cont. from previous page.

provisions for immediate consultation contained in Article 1 will also be applicable in the event of the Permanent Disarmament Commission, to be set up in accordance with Part V, Section 1, of the present Convention, reporting the existence of facts which show that any High Contracting Party has failed to execute loyally the present Convention. Article 2 (c) would state: 'It shall be the object of such consultation to exchange views as to the steps to be taken for the purpose of restoring the situation and of maintaining in operation the provisions of the present Convention.'

¹ It was proposed to include here the text, when agreed, of articles relating to the definition of the aggressor, the establishment of facts constituting aggression and the provision for a European Security Pact. Those contained in the Report of the Committee on Security Questions (see below, pp. 221-3, 224-5, 226-9) were included for purposes of information.

² See below, pp. 226-9.

said annex as regards the application of Article 16 of the Covenant of the League of Nations to the signatories of the said annex.

The High Contracting Parties Members of the League and signatories of the Convention for Financial Assistance signed at Geneva on October 2, 1930, likewise undertake to comply with the provisions of Article VI of the said annex as regards the application of that Convention.

PART II. DISARMAMENT

Article 7

The High Contracting Parties agree to limit their respective armaments as provided in the present Convention.

SECTION I. EFFECTIVES¹

Chapter 1

Provisions as to Numerical Limitations

Article 8

The average daily effectives in the land, sea, and air armed forces of each of the High Contracting Parties shall not exceed the figures laid down for such Party in the tables annexed to this chapter.^{2 3}

¹ The Special Committee on Effectives has submitted a report to the General Commission concerning (1) police forces, (2) naval effectives to be assimilated to land effectives, (3) premilitary training, and (4) military training given elsewhere than in the army. This report affects Articles 9, 10, 12, 13, and Table I.

² **Polish amendment** (Conf. D/C.G./78 and 98). The Polish delegation accepts this chapter unreservedly; it would like to see a second paragraph added to Article 8, eliminating as far as possible the element of surprise which might result if a number of reservists considerably in excess of the average daily effectives were called to the colours.

Paragraph 2 of Article 8 would read as follows: *The actual strength of the armed forces or the forces assimilated thereto may at no moment exceed the respective figures in Table IV.*

Table IV, giving the proportionate figures allowed for each country, would be inserted in the Convention immediately after Table III.

³ **Declaration by the Swiss delegation** (Conf. D/C.G./93). Amendment No. 1 of the Polish delegation (Conf. D/C.G./78) leads the Swiss delegation to make the following declaration:

This amendment would seem to it acceptable on condition that account were taken of the special situation of a militia army like the Swiss army, or that the latter were given the benefit of a special régime such as that provided for in a previous decision of the General Commission (see Conf. D/C.G./P.V. 42, pp. 6-7, dated March 3, 1933).

As the Swiss delegation has already explained both in Document C.845, M. 424, 1931 (Conf. D/32) and at the General Commission's meeting of February 28, 1933 (final minutes, pp. 319 to 320), the effectives of the Swiss army at certain periods of the year fall to the neighbourhood of zero and rise at other

Article 9^{1 2}

It is understood that effectives consist of:

(a) All officers, officer cadets, N.C.O.s, soldiers, sailors, airmen, reservists, and all other persons (such as military officials of the administrative, sanitary or veterinary services, or military agents) of equivalent status who perform a day's duty in the land, sea, and air armed forces:

(b) Persons who perform a day's duty in police forces or similar formations under the conditions prescribed in Article 12;

(c) All other persons of at least 18 years of age who receive military training under the control of the State. Military training is taken to mean any training given to persons of at least 18 years of age, under the military regulations in force in each country or under regulations containing similar provisions, with a view to preparing those who receive it for performing military duty in the armed forces.

The main characteristics of this training are as follows:

1. Technical and tactical training in the use of the individual and other than individual arms used in war;
2. Training in field service over broken ground.

Note 3 cont. from previous page.

periods (divisional manoeuvres) to a figure of 40 to 45 thousand men. For reasons which need not be stressed, it would be impossible in an army of this type to reduce the considerable fluctuation inevitably occurring in the level of effectives in the course of the year.

If the figure of 50,000 men provided for as limit for the average daily effectives in the British draft is kept to, Switzerland will have no further reservations to make.

The Swiss delegation would have no objection to accepting the suggestion made in this connexion by the Netherlands delegation (see Document Conf. D/C.G./P.V. 53, p. 3, of April 28, 1933) to the effect that States should be forbidden to exceed by more than 20 per cent. the agreed maximum of average daily effectives, unless a notification to this effect were sent one or two months in advance to the Permanent Disarmament Commission. (The Special Committee on Effectives will consider this question at its next meeting on June 27.)

¹ **German amendment** (Conf. D/C.G./71). It is understood that effectives consist of:

(a) All officers, officer cadets, N.C.O.s, soldiers, sailors, airmen . . . and all other persons (such as military officials of the administrative, sanitary or veterinary services, or military agents) of equivalent status who perform a day's duty in the land, sea, and air armed forces; *all the trained reserves who, having performed their active service, remain on the registers and are liable by law to training periods and military service in case of war, according to the number of days' duty performed during training periods in the course of a year, but in any case to be counted as having at least done seven days' duty.*

² **Italian amendment** (Conf. D/C.G./143). Delete paragraph (c).

Furthermore, in the examination of special cases account will be taken in particular of the following criteria:

1. Theoretical (by map) and field training of cadres;
2. Use of military methods of communication and signalling.

Physical and sports training in the strict sense of the term, for whatever purpose given, shall not be regarded as military training.

Article 10

The High Contracting Parties undertake to prohibit any military training whatsoever except in organizations under the control of their respective Governments.

Article 11

The average daily effectives are reckoned by dividing the total number of days' duty performed by actual effectives in each year by the number of days in such year.

In the case of continuous service, every day shall count as a day's duty. A deduction of 5 per cent. may in each case be made from the total average daily effectives on account of persons sick in hospital, persons on leave for two or more days, and persons prematurely discharged on leave. Any Party for which the above-mentioned absences represent a greater percentage may make a correspondingly larger deduction, after furnishing to the Permanent Disarmament Commission details as to its basis of computation.

In the case of intermittent service or instruction, attendances aggregating six hours may, for the calculation of the average daily effectives, count as the equivalent of one day's duty.

Article 12

1. Subject to the provisions of paragraph 2 of this Article, a police force or similar formation will be included in the total of effectives in Table I if it has one or more of the following characteristics:

- (a) Arms other than individual (machine pistols, Lewis guns, machine guns, and weapons of accompaniment, &c.);
- (b) Training of a military nature other than close-order drill, physical training, or technical training in the use of individual arms;
- (c) Transport, signalling, or engineer equipment of a suitable nature and on a sufficient scale to enable it to be employed by units in tactical operations.

The possession by a force of one or more of the above characteristics will, in principle, determine its inclusion in whole or in part in the calculation of effectives of the land armed forces. Cases which might appear doubtful after the present Convention comes into force should be referred to the Permanent Disarmament Commission, which will give a decision by reviewing the military capacity of the force in the light of the above characteristics, and taking into account, in particular, the following confirmatory conditions:

- (i) Quartering in barracks;
- (ii) Training in groups of 100 men or more;
- (iii) Organization on a military basis;
- (iv) Previous military training;
- (v) The possession of the arms referred to in sub-paragraph (a) above in such numbers as to permit of the tactical employment of the forces possessing them as military units.

2. Of the police force maintained by any High Contracting Party and possessing one or more of the characteristics set out in paragraph 1 of this article, a number not exceeding 10 per cent. (General Commission, May 4, P.V. 56, p. 2) of the figure assigned to such Party in Table I annexed to this chapter may be exempted from inclusion in the effectives of the land armed forces of such Party.

Article 13

The following naval effectives should be included among the effectives of the land armed forces:

- (a) Effectives employed in land coast defence;
- (b) Marines who are normally in excess of those assigned to, or destined for, service afloat;
- (c) Effectives coming within the classification of similar formations (as defined in Article 12).

Naval personnel serving ashore in the fleet services (training, administrative, &c.) as well as those assigned to, or destined for, service afloat, will be included in the effectives of the sea armed forces.¹

¹ **Italian amendment** (Conf. D/C.G./139). Add at the end of Article 13:

As regards the effectives of the land armed forces of each of the High Contracting Parties possessing effectives coming under categories (a), (b), (c) of the present article, a fraction of those effectives not exceeding . . . per cent. of the figures allotted to the said High Contracting Parties in Table I annexed to the present chapter need not be included.

Table I

Table of Average Daily Effectives which are not to be exceeded in the Land Armed Forces.¹

(Note. This table contains only the figures which are suggested for the countries of continental Europe. It would, of course, require to be completed by the addition of figures in respect of all the other Parties.)

Party.	Land armed forces.	
	Stationed in home country. ^{2 3}	Total including overseas. ^{2 3}
Germany	200,000	200,000
Belgium	60,000	75,000
Bulgaria	60,000	60,000
Spain	120,000	170,000
France	200,000	400,000
Greece	60,000	60,000
Hungary	60,000	60,000
Italy	200,000	250,000
Netherlands ⁴	25,000	75,000
Poland	200,000	200,000
Portugal ⁵	50,000	60,000
Roumania	150,000	150,000
Czechoslovakia	100,000	100,000
U.S.S.R.	500,000	500,000
Yugoslavia	100,000	100,000
Each other continental European State ^{6 7 8 9}	No separate figure	50,000

¹ Hungarian observation (Conf. D/C.G./70). The Hungarian Government believes that the maximum effectives should be fixed on the basis of an armaments ratio guaranteeing the national security of all States in accordance with Article 8 of the Covenant, account being taken also of the situation prevailing in each country in respect of trained reserves—whether undergoing fresh instruction or not—and material.

² German amendment (Conf. D/C.G./71).

Land armed forces.

Stationed in the home country and in overseas territories in the neighbourhood thereof. Total including the forces stationed in distant overseas territories.

³ Italian amendment (Conf. D/C.G./139).

Land armed forces.

Stationed in the home country and in certain overseas territories* near the home country. Total including overseas forces stationed in distant overseas territories.

The Italian delegation reserves the right to communicate the figures of the Table which concern it.

* To be specified.

⁴ Netherlands proposal (Conf. D/C.G./67). The Netherlands delegation proposes that the table should be revised on the principle that 25,000 shall be the maximum figure for forces stationed in the home country in the case of the Netherlands and all countries whose needs are equal to or less than those of the Netherlands.

For notes 5-9 see following page.

Table II

Table of Average Daily Effectives which are not to be exceeded in the Sea Armed Forces. (The figures will have to be related to the naval material allowed to each Party.)

Table III

Table of Average Daily Effectives which are not to be exceeded in the Air Armed Forces. (The figures will have to be related to the air material allowed to each Party.)

Chapter 2

Special Provisions as to the Organization of the Land Armed Forces Stationed in Continental Europe^{1 2}

Article 14³

The provisions of this chapter apply only to the land armed forces stationed in continental Europe.

Notes 5-9 cont. from previous page.

⁵ **Portuguese amendment** (Conf. D/C.G./103). Whereas the competent Portuguese authorities have frankly disclosed the *existing* effectives, *stricto sensu*, without taking any account of the temporary reductions due to measures of financial recovery, and after a study of Chapter I, we ask for the figure proposed for our land armed forces stationed in the home country to be raised to at least 60,000 men.

As regards the oversea forces, for the reasons above-mentioned and, in addition, in view of the extent, distance, and geographical distribution of certain territories under Portuguese sovereignty, we require a maximum figure of 50,000 men.

⁶ **Austrian proposal** (Conf. D/C.G./69). The Austrian Government would like to see the number of effectives proposed for Austria raised to a higher figure—viz. at least 60,000—provided that the other figures suggested in the table are not substantially modified.

⁷ **Declaration by the Finnish delegation** (Conf. D/C.G./145). The Finnish delegation will not accept any modification of the figure of 50,000 indicated for certain countries including Finland in Table I.

⁸ **Turkish amendment** (Conf. D/C.G./74). *Add after Czechoslovakia:*

<i>Turkey</i>	<i>Figure to be determined</i>	<i>Figure to be determined</i>
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⁹ **Cuban observation** (Conf. D/C.G./100). In accordance with the statements made before the end of the General Commission's meeting on May 1 concerning the figures for the effectives of the land forces of countries outside continental Europe not included in Table No. 1 of the British draft, I have the honour to state that my Government has indicated the peacetime figure of 18,000 for the land forces; this figure includes the rural guard, officers, N.C.O.s and men.

¹ **U.S.S.R. amendment** (Conf. D/C.G./76). Heading should read: *Chapter 2. Special provisions as to the organization of Land Armed Forces.*

² **Italian amendment** (Conf. D/C.G./139). The provisions of this chapter apply only to the non-colonial land armed forces of the countries of continental Europe.

³ **U.S.S.R. amendment** (Conf. D/C.G./76). Delete Article 14.

Article 15^{1 2}

Troops whose primary function is to provide drafts or reinforcements for overseas garrisons are excluded from the provisions of this chapter.

Article 16^{3 4 5 6 7 8}

The maximum total period of service for the effectives in the land armed forces stationed in continental Europe (excluding the troops mentioned in Article 15 above and the personnel referred to in Article 18) shall not exceed eight months.

(Note: In special cases, to be decided by the Conference, the maximum total period of service may be extended to twelve months.)

Article 17

For each man the total period of service is the total number of days comprised in the different periods of service to which he is liable under national law or by the terms of his contract to perform.

Article 18

In the land armed forces affected by this chapter the personnel whose length of service is greater than that prescribed in Article 16 shall not at any time exceed the following proportions of the average strength throughout the year of the said forces.

¹ U.S.S.R. amendment (Conf. D/C.G./76). Delete Article 15.

² Italian amendment (Conf. D/C.G./139). Delete Article 15.

³ Turkish amendment (Conf. D/C.G./74). Troops whose primary function is to provide drafts or reinforcements for overseas garrisons *outside continental Europe and the Mediterranean* are excluded from the provisions of this chapter.

⁴ U.S.S.R. amendment (Conf. D/C.G./76). The maximum total period of service for the effectives in the land armed forces : . . (excluding the personnel referred to in Article 18) shall not exceed eight months.

⁵ Italian amendment (Conf. D/C.G./139). *The average period of service for the non-colonial annual contingent of the countries of central Europe shall not exceed ten (or nine) months.*

⁶ Turkish amendment (Conf. D/C.G./74). *The total period of service for the infantry effectives stationed in continental Europe and the Mediterranean shall be fixed at twelve months. As regards the other arms (cavalry, artillery, engineers, &c.) the duration of service shall not exceed a maximum of eighteen months.*

⁷ Declaration by the Finnish delegation (Conf. D/C.G./145). The Finnish delegation considers that a length of service of twelve months is insufficient.

⁸ Hungarian observation (Conf. D/C.G./70). The Hungarian delegation suggests that the maximum total period should be fixed at more than eight months, the exact time to be left to the decision of the parties concerned.

Officers, officer cadets, and persons of equivalent status: $\frac{1^1}{x}$

N.C.O.s, soldiers, and persons of equivalent status: $\frac{1^1}{y}$

The High Contracting Parties undertake not to group in units the personnel referred to in this article except in the case of specialized units if provided for by the present Convention.

Chapter 3

Provisions as to the Methods by which the Reductions and Re-organizations entailed by the Preceding Chapters shall be effected.

Article A²

The reductions in the average daily effectives in the land armed forces of the High Contracting Parties which result from Table I annexed to Chapter I shall be carried out as follows:

By the end of the 2nd year from the coming into force of the Convention, 30 per cent. of the total reduction required.

By the end of the 4th year from the coming into force of the Convention, 75 per cent. of the total reduction required.

By the end of the 5th year from the coming into force of the Convention, 100 per cent. of the total reduction required.

Article B

Any increases in the average daily effectives in the land armed forces of the High Contracting Parties which may result from Table I

¹ Hungarian amendment (Conf. D/C.G./96).

These proportions should be

...	$\frac{1}{10}$
...	$\frac{1}{5}$

² Hungarian amendment (Conf. D/C.G./97). The reductions in the average daily effectives in the land armed forces of the High Contracting Parties which result from Table I annexed to Chapter I shall be carried out as follows:

By the end of the 1st year of the coming into force of the Convention, 30 per cent. of the total reduction required.

By the end of the 2nd year from the coming into force of the Convention, 75 per cent. of the total reduction required.

By the end of the 3rd year from the coming into force of the Convention, 100 per cent. of the total reduction required.

shall be carried out at a rate not exceeding that laid down in Article A for the reductions which result from the said Table.¹

Article C

This article refers only to the land armed forces to which Chapter 2 of this section applies.

(1) The High Contracting Parties concerned will effect the reductions in their existing long-service personnel necessitated by Chapter 2 in the following proportions:

By the end of the 2nd year from the coming into force of the Convention, 30 per cent.

By the end of the 4th year from the coming into force of the Convention, 70 per cent.

By the end of the 5th year from the coming into force of the Convention, 100 per cent. less the percentage allowed to them under Article 18.²

By long-service personnel in this article is understood those effectives (excluding conscripts) whose period of service exceeds that prescribed in Article 16.

(2) The maximum period of service which may be performed by effectives other than long-service personnel will be reduced to the period laid down in Article 16 as follows:

For effectives commencing their service after the end of the 3rd year from the coming into force of the Convention, by 50 per cent. of the total reduction required;

For effectives commencing their service after the end of the 5th year from the coming into force of the Convention, by 100 per cent. of the total reduction required.³

(Note: The columns in the Publicity Tables (Part III of the Convention) will be arranged so that the rate of the reorganization carried out annually will be available for the information of the Permanent Disarmament Commission.)

¹ **Hungarian amendment** (Conf. D/C.G./97). Add the following paragraph: *Nevertheless, should any High Contracting Party discharge the long-service personnel of its existing army within periods shorter than those provided for in Article C, such Party shall be authorized to increase its average daily effectives at the same rate of progress as that of the discharges.*

² **Hungarian amendment** (Conf. D/C.G./97). Add:

Nevertheless, any High Contracting Party desiring to do so shall be authorized to effect the reduction provided for in this paragraph within shorter periods.

³ **Hungarian amendment** (Conf. D/C.G./97). Add:

Those High Contracting Parties which at present possess a long-service army shall be entitled to benefit by the provisions of this article if they reduce their long-service personnel at a faster rate than is provided for in this article.

SECTION II. MATERIAL. LAND ARMAMENTS.^{1 2 3}Article 19^{4 5}

The maximum limit for the calibre of mobile land guns for the future shall be 115 mm. Existing mobile land guns up to 155 mm. may be retained, but all replacement or new construction of guns shall be within the maximum limit of 115 mm.

As existing guns shall only be regarded those for which orders were placed before the submission of the British draft to the Conference.

The maximum limit for the calibre of coast defence guns shall be 406 mm.

¹ General observations by the Turkish delegation (Conf. D/C.G./105). The General Commission decides:

to set up a special Committee, composed of representatives of Mediterranean and Black Sea riparian States, together with representatives of the United States of America and Japan, to consider the situation of the Straits (Dardanelles and Bosphorus) as put forward by the Turkish delegation.

² General observations by the Polish delegation (Conf. D/C.G./82). The Polish delegation makes no reservations with respect to these articles, but only asks that the provisions referred to above should be supplemented by certain provisions in accordance with the resolution adopted by the General Commission on July 23, 1932, and with the following principles:

(1) Acceptance of strict and rigorous supervision on the spot and in detail.

(2) Abolition of the private manufacture of arms and ammunition, and in any case international supervision of the private and State manufacture of arms and implements of war, and the establishment of quotas in proportion to the effectives allotted to the various States.

(3) The maintenance in force without reservation of the previous international undertakings with regard to disarmament, no measure of rearmament being accepted by the Conference for the Reduction and Limitation of Armaments.

Furthermore, it is essential to include in the Convention rules fixing the time-limit within which war material must be standardized, and a provision expressly prohibiting the introduction of improvements in the types of existing armaments authorized by the Conference.

³ General observations by the French delegation (General Commission, May 23, 1933, P.V. 62, p. 11 and following).

The French delegation made a general reservation with regard to the articles concerning land material.

It will not be able to come to a definite conclusion on these articles until it is informed what provisions have been included in the Convention in the chapters concerning Security, Effectives, Standardization of Types of Armies, Trade in and manufacture of War Material, and International Supervision.

⁴ Chinese amendment (Conf. D/C.G./84). Article 19 should limit the number as well as the calibre of mobile land guns and coast defence guns. This would require a table analogous to that provided in Article 13.

⁵ Italian amendment (Conf. D/C.G./140). *The maximum limit for mobile land guns shall be:*

(a) *for mobile guns of all classes 105 mm.*

(b) *for fixed guns 210 mm.*

(c) *for fixed coast guns 406 mm.*

Article 20

For the purposes of the present Convention a tank is defined as follows:

‘A tank is a fully armoured, armed, self-propelled vehicle designed to cross broken ground, usually by means of tracks, and to overcome obstacles encountered on the battlefield.’

Article 21^{1 2 3 4 5}

The maximum limit for the unladen weight of a tank shall be 16 tons. The definition of ‘unladen weight’ is given in Annex 1.

The number of tanks in the possession of each High Contracting Party shall not exceed the figures shown for such Party in the Table annexed to this chapter.

Article 22^{6 7 8 9 10 11}

All mobile land guns above 155 mm. and all tanks above 16 tons shall be destroyed in the following stages:

One-third within twelve months of the coming into force of the Convention;

Two-thirds within three years of the coming into force of the Convention;

¹ **Afghan amendment** (Conf. D/C.G./88). Omit this article.

² **Turkish amendment** (Conf. D/C.G./74). This article should read: ‘*Tanks shall be totally abolished.*’

³ **Hungarian amendment** (Conf. D/C.G./81). This article to read: ‘*All tanks shall be abolished.*’

⁴ **Chinese amendment** (Conf. D/C.G./84). This article to read: ‘*The High Contracting Parties agree to destroy all tanks in their possession and to build no new tanks.*’

⁵ **Italian amendment** (Conf. D/C.G./140). The maximum limit for the unladen weight of a tank shall be 6 tons. The definition &c., . . . (text unchanged).

⁶ **Hungarian amendment** (Conf. D/C.G./118). *All mobile land guns above 115 mm.—whether in service or in stock—and all tanks—whether in service or in stock—shall be destroyed by stages as follows:*

(1) *All mobile land guns above 155 mm. and all tanks within twelve months of the coming into force of the present Convention.*

(2) *All mobile land guns above 115 mm., but not exceeding 155 mm., in five equal parts within five years of the coming into force of the present Convention.*

⁷ **Italian amendment** (Conf. D/C.G./140). *All land guns, including material in stock, of a calibre exceeding:*

for mobile guns 105 mm.

for fixed guns 210 mm.

for fixed coast guns 406 mm.

and all tanks above 6 tons unladen weight shall be destroyed in the following stages:

one-third within twelve months of the coming into force of the Convention;

two-thirds within three years of the coming into force of the Convention.

⁸ **U.S.S.R. amendment** (Conf. D/C.G./83). All mobile land guns above

All guns above 115 mm. shall be destroyed as soon as they are replaced by new guns of or below 115 mm.¹

Annex I

Definition of unladen weight of a tank.

The unladen weight of a tank includes the shell, with tracks, engine and transmission machinery, but without guns and mountings, crew, fuel, oil, engine cooling water, ammunition, wireless or military equipment.

Table I

The United Kingdom delegation intends to present this Table before the second reading. The other delegations have been requested to present their figures to the United Kingdom delegation.

Chapter 2. Naval Armaments.^{2 3 4 5 6 7 8 9 10 11 12}

*Article 23*¹³

The naval armaments of the Parties to the Treaty of Washington, signed on February 6, 1922, and the Treaty of London, signed on April 22, 1930, remain subject to the limitations resulting from the said Treaties.

Notes 8–11 cont. from previous page.

155 mm. and all tanks above 16 tons shall be destroyed *within twelve months of the coming into force of the Convention.*

⁹ **Afghan amendment** (Conf. D/C.G./88). *All mobile land guns above 105 mm. and all tanks shall be destroyed in the following manner: One half within twelve months of the coming into force of the Convention and one-half within the following year.*

¹⁰ **Chinese amendment** (Conf. D/C.G./84). *All mobile land guns above 155 mm. and all tanks . . . shall be destroyed in the following stages: (&c.)*

¹¹ **Turkish amendment** (Conf. D/C.G./74). *All mobile land guns . . . shall be destroyed in the following stages:*

(text unchanged)

Add at end of article:

The manufacture of guns and tanks, the abolition of which is provided for in Articles 19 and 21, as well as accessories and detached parts thereof, shall be prohibited.

¹ **German amendment** (Conf. D/C.G./121). *Add at the end of this article: . . . and at the least within five years of the coming into force of the Convention.*

After the expiry of the time limits specified at the end of the first and second paragraphs of the present article, the use of a class of weapons there referred to shall be absolutely prohibited.

² **Observations by the U.S.S.R. delegation** (Conf. D/C.G./83).

Chapter 2. Naval Armaments.

The delegation of the U.S.S.R. refrains from proposing amendments to this chapter, being unable to accept a system of disarmament which does not provide for a reduction of the existing tonnage and which would, at the same time, create advantages in favour of the principal naval Powers to the detriment of

Notes 2-5 cont. from previous page.

other countries. The delegation of the U.S.S.R. objects to the principal naval Powers being given the right to include in their existing tonnage, in addition to the completed vessels, the tonnage of vessels in course of construction or projected, or the construction of which is even simply contemplated—without such tonnage being taken into consideration in the case of other countries. It also objects to the principal naval Powers enjoying exceptions in regard to the limitation of the elements of vessels established under the Treaties of Washington and London, without other countries enjoying exceptions which might be rendered necessary by the special nature of their navies. Further, it objects to the non-recognition in the case of such countries of the right of transfer.

³ German amendments (Conf. D/C.G./91).

Explanatory note.

No reduction in the fleets of the other States is proposed in the present draft Convention. Nevertheless, in the hope that a substantial reduction in the naval armaments of the heavily armed naval Powers will be made at the 1935 Conference, Germany is prepared, pending that Conference, to maintain the number of vessels hitherto assigned to her as a limit. In point of fact the decisive criterion for the limitation of her naval armaments under the Treaty of Versailles is not tonnage but the number of vessels in the different categories. Consequently, for the German fleet, tonnage has not the same importance as it has for the fleets of the other States, and cannot be employed as a criterion in the case of the former. Amendment 1, paragraph (a), and amendment 2 below are designed to take into account this special situation of Germany.

Under the Treaty of Versailles Germany could have laid down the keels of several capital ships for replacement purposes some years ago, but she has not made full use of this right. With a view to facilitating the conclusion of a Convention for the short period contemplated, Germany is still prepared partly to forgo this right and to refrain, pending the final settlement of naval questions in 1935, from laying down more than one capital ship for replacement purposes (see paragraph 1 (b) of the amendment).

⁴ Japanese observations (Conf. D/C.G./114). The Japanese delegation attaches particular importance to the conclusion of an agreement on the subject of naval armaments, and to the renewal by the present Conference of its efforts in this direction on the lines indicated in the resolution of July 23, 1932.

It cannot, however, share the view that it is desirable to establish a new agreement on the basis of the existing agreements, which are unstable in character and whose period of validity will soon be at an end by reference to those agreements. Owing to their nature, unless a new Convention is concluded between the Powers to which the above-mentioned treaties apply, it will be both more practical and more equitable to make no mention in the future Convention of the provisions relating to the tonnages previously allotted to the Powers concerned.

⁵ Observations by the Finnish, Polish, Rumanian, Spanish, Swedish, and Yugoslav delegations (Conf. D/C.G./113). The Powers not signatories to the Washington and London Treaties were able to state their views on the question of the limitation of naval armaments only during the proceedings of the Preparatory Disarmament Conference and, in a quite general manner, at the present Conference. They have, in particular, co-operated with the Powers Parties to the said Treaties in drafting the naval clauses of the draft Convention adopted by the Preparatory Commission in December 1930.

In these conditions it would seem fair to insert in a suitable form, in the framework of the present draft, provisions taken from the draft Convention of the Preparatory Commission.

It should be emphasized that these provisions were decided upon in joint

Notes 5-9 cont. from previous page.

agreement with the Powers Parties to the Naval Treaties and are the result of a compromise secured by means of mutual concessions.

The proposed amendments are based on the considerations above outlined, i.e. on the draft Convention of 1930, allowances being made for the progress made by the Conference, and particularly by its resolution of July 23, 1932.

⁶ At the 66th meeting of the General Commission, the following delegations stated that they were in agreement with, and associated themselves with, the amendments submitted by the delegations of Finland, Poland, Rumania, Spain, Sweden, and Yugoslavia (Conf. D/C.G./113): **Estonia, Greece, Persia, Latvia, Lithuania.**

⁷ **Observations by the French delegation** (Conf. D/C.G./134). The representative of France had occasion on May 25, 1933, to state the views of the French Government on the drafting of the chapter of the Convention dealing with naval armaments.

With a view to future discussions, the French delegation thinks it desirable to specify the principles on which its attitude is based.

These principles are the following:

(1) The Convention must be general.

(2) The Convention must respect the principle of the interdependence of armaments. In particular, the resolution by which the General Commission has adopted the principle of qualitative disarmament must have certain consequences in connexion with the provisions of Articles 14, 15, and 16 of the Preparatory Commission's draft Convention, in order that stricter limitation may be imposed on unit displacement and the maximum calibre of guns.

(3) The actual situation which existed at the beginning of the Conference must be taken into account in the Convention, and the relative strength of the different fleets as it then stood must be maintained.

At the same time, small navies in process of formation must have an opportunity to develop in equitable proportions, in accordance with the principles laid down in Article 8 of the League Covenant.

Moreover, as was already provided by Article 53 of the Preparatory Commission's draft Convention, the clauses of the existing naval treaties will remain in force until December 31, 1936, subject to any stricter limitations that may be imposed by the future Convention.

(4) The Convention must have the same duration, whatever may be the categories of armaments reduced or limited, and in any event that duration must be sufficient to allow of the preparation and execution of naval programmes.

Regarding the wording of the Convention, and subject to the foregoing observations, the French delegation thinks it necessary to approach nearer to the system contemplated in the naval chapter of the draft Convention prepared by the Preparatory Disarmament Commission (Doc. C. 687, H. 288, 1930) which was unanimously adopted on February 25, 1932, as a framework for the work of the Conference on the motion of the United Kingdom delegation itself. The French delegation would point out that that system is the outcome of the decisions of the London Naval Conference, as conveyed to the Secretary-General of the League by the President of that Conference in his letter of April 21, 1930.

⁸ At the 66th meeting of the General Commission, the **Turkish** delegate stated that, 'in the circumstances, the best and simplest method would be to leave in entire freedom the States which were not parties to the Washington and London Treaties until the expiration of these Treaties (C.G. P.V. 66, p. 1).

⁹ At the 66th meeting of the General Commission, the **Netherlands** delegate stated 'that he thought that, if it were not possible to include in the Convention a uniform system for all Powers, which would have a more or less final

Article 24¹

Articles 25 and 26 constitute the agreement between the Parties to the Treaty of London referred to in Article 24, paragraph 4, of that Treaty. France and Italy will ratify the said Treaty not later than the date of their ratification of the present Convention.

Article 25²

Until December 31, 1936, the naval combatant vessels of France and Italy, other than capital ships, aircraft carriers, and all vessels exempt from limitation under Article 8 of the Treaty of London, shall be limited, without prejudice to Article 12 of the said Treaty, by the provisions of Articles 26 and 27 of the present Convention.

Notes 9-13 cont. from previous page.

character, the question arose whether it would not be possible in the case of the smaller naval Powers to be content with a renewal of the naval armaments truce' (C.G. P.V. 66, p. 6).

¹⁰ At the 66th meeting of the General Commission, the Chinese delegate stated that 'the Chinese Government did not see its way, pending the vindication of China's rights and the final settlement of the war of aggression of which she continues to be the victim, to undertake commitments restricting her right to take all necessary measures to resist invasion and defend her territorial sovereignty'.

The general reservation made by the Chinese Government in July 1932 and reiterated on March 27 and April 25, 1933, applied to naval as well as to land and air armaments (C.G. P.V. 66, p. 9).

¹¹ At the 64th meeting of the General Commission, the Spanish delegate stated that 'Whatever the merits of the Washington and London Conferences, it was nevertheless of the greatest importance that the big naval Powers should be asked that the coming naval discussion should be a round table discussion, all the Powers being present—not only the naval Powers—and in the General Disarmament Conference. The Spanish delegate believed that it would be impossible to solve these disarmament problems unless every one was represented in the discussion and all questions were dealt with simultaneously' (C.G. P.V. 64, p. 7).

¹² At the 77th meeting of the General Commission, the Japanese delegate stated that 'the Japanese delegation could also accept the complete prohibition of bombing from the air if it were freed from certain apprehensions with regard to its national security. To that end it would be necessary, in the first place to provide for the complete abolition of air-craft carriers and the absolute prohibition of war vessels equipped with landing decks or platforms, and, in the second place, to draw up an agreement capable of effectively preventing the use of civil aircraft for military purposes in time of war' (C.G. P.V. 77, p. 11).

¹³ **Japanese amendment** (Conf. D/C.G./114). This article not to be embodied in the present Convention.

¹ **Japanese amendment** (Conf. D/C.G./114). This article to be reserved for an agreement to be concluded independently of the present Convention between the Parties directly concerned.

² **Japanese amendment** (Conf. D/C.G./114). This article to be reserved for an agreement to be concluded independently of the present Convention between the Parties directly concerned.

The definitions adopted in Annex I for the purposes of the present chapter will apply.

Article 26 ¹

(a) The completed tonnage in the cruiser, destroyer, and submarine categories which is not to be exceeded by France and Italy on December 31, 1936, is to be the completed tonnage arrived at in consequence of the provisions of Article 27.

(b) France and Italy shall have complete freedom of transfer for the purposes of replacement between cruisers of sub-category (ii) and destroyers.

Article 27 ^{2 3 4}

Until December 31, 1936, the programmes of France and Italy in cruisers, destroyers, and submarines will be as follows:

A. *Cruisers with guns of more than 6.1" (155 mm.).*

No further tonnage shall be laid down or acquired after the date of signing the present Convention.

B. *Cruisers with guns of 6.1" (155 mm.) calibre or less, and destroyers.*

The amount of further construction to be laid down or acquired

¹ Japanese amendment (Conf. D/C.G./114). This article to be reserved for an agreement to be concluded independently of the present Convention between the Parties directly concerned.

² Japanese amendment (Conf. D/C.G./114). This article to be reserved for an agreement to be concluded independently of the present Convention between the Parties directly concerned.

³ Italian declaration (Conf. D/C.G./75).

Paragraphs B and C.

These paragraphs of this article are two of the essential points which the Italian delegation would be unable to accept apart from the rest of the draft submitted to the Conference on March 16, 1933, of which the Italian delegation signified its approval.

⁴ Italian amendment (Conf. D/C.G./141).

A. Text unchanged.

B. *Cruisers with guns of 6.1" (155 mm.) calibre or less, and destroyers.*

Substitute for the first two paragraphs:

The amount of further construction to be laid down or acquired by France and Italy during the period between January 1, 1933, and December 31, 1936, shall be limited to 34,298 (34,847 metric) standard tons.

Tonnage laid down or . . . (text unchanged) . . . in accordance with Annex VI to the present chapter.

Add at the end of the third paragraph:

Part of this tonnage, in a proportion to be fixed, may, however, be converted into exempt vessels.

C. *Submarines.*

Until December 31, 1936, France and Italy will arrange their present submarine building and scrapping programmes so that, on the said date, their completed tonnage will not be greater than 52,700 standard tons.

Any submarine tonnage under construction on that date shall be in anticipation of replacement requirements.

by France during the period between January 1, 1933, and December 31, 1936, shall be limited to 34,298 (34,847 metric) standard tons as authorized in the French programme of 1932.

The amount of further construction to be laid down or acquired by Italy during the same period shall be limited to 27,173 (27,608 metric) standard tons.

Tonnage laid down or acquired in accordance with the French programme of 1931 and the Italian programme of 1931-2, and any tonnage laid down or acquired subsequently shall be devoted to the replacement of over-age cruisers of this sub-category or of over-age destroyers. Upon the completion of any replacement tonnage, a corresponding amount of over-age tonnage shall be disposed of in accordance with Annex VI to the present chapter.

C. *Submarines.*

Until December 31, 1936, France and Italy will not lay down or acquire any further submarines. France will arrange her present submarine building and scrapping programme so that, on the said date, her completed tonnage will not be greater than . . . standard tons.

Any submarine tonnage under construction on that date shall be in anticipation of replacement requirements.

Article 28^{1 2 3}

No High Contracting Party shall lay down or acquire any capital ship during the period up to December 31, 1936, except that Italy may lay down one ship not exceeding 26,500 (26,924 metric) standard tons, and carrying guns not exceeding 13" (330 mm.) calibre.

Except as provided in Article 7, paragraph 2, of the Treaty of London, no High Contracting Party shall, until December 31, 1936, lay down or acquire any submarine the standard displacement of

¹ Japanese amendment (Conf. D/C.G./114). First paragraph of this Article to be reserved for an agreement to be concluded independently of the present Convention between the Parties directly concerned.

² Amendment by the Finnish, Polish, Rumanian, Spanish, Swedish, and Yugoslav delegations (Conf. D/C.G./113).

First paragraph unchanged.

Add after first paragraph:

It shall further be permissible to lay down or acquire capital ships of sub-category (ii) by applying the replacement rules of Annex V.

Remainder unchanged.

³ Italian declaration (Conf. D/C.G./75). This article is one of the essential points which the Italian delegation would be unable to accept apart from the rest of the draft submitted to the Conference on March 16, 1933, of which the Italian delegation signified its approval.

which exceeds 2,000 (2,032 metric) standard tons or carrying a gun above 5.1" (130 mm.) calibre.¹

Article 29²

In order to bring about a stabilization of naval armaments until December 31, 1936, the armaments of those High Contracting Parties to whom the Treaties of Washington and London do not apply shall, until the said date, be limited as follows:

(a) No cruisers carrying guns of a calibre above 6.1" (155 mm.) shall be constructed or acquired.

(b) On December 31, 1936, the completed tonnage in cruisers of sub-category (ii), destroyers, and submarines, possessed by each of the said High Contracting Parties shall not exceed the amounts specified for such Party in Annex IV. This provision does not, how-

¹ **German amendment** (Conf. D/C.G./91). Insert after Article 28 a new article reading as follows:

Until December 31, 1936, Germany undertakes:

(a) *Not to exceed as regards surface vessels the numbers hitherto assigned to her as a limit.*

(b) *Not to lay down the keel of more than one vessel to replace one of her capital ships which are obsolete.*

² **Amendment by the Finnish, Polish, Rumanian, Spanish, Swedish, and Yugoslav delegations** (Conf. D/C.G./113).

Delete sub-paragraph (a).

For sub-paragraph (b) substitute the following:

(a) For the term of the present Convention the aggregate tonnage of the warships of each of the High Contracting Parties other than the special vessels enumerated in Annex . . . shall not exceed the figure fixed for that Party in the table in Annex IV, last column.

For sub-paragraph (c) substitute the following:

(b) Annex IV shall show in tonnage by class the way in which each High Contracting Party proposes to allocate, during the period of application of the present Convention, the aggregate tonnage, limited in its case to the figure shown in the table.

After the new sub-paragraph (b) insert sub-paragraph (c), reading as follows:

(c) Within the limit of the aggregate tonnage fixed for it in Annex IV, and provided no stricter conditions are proposed by special conventions to which it is or may become a Party, each High Contracting Party may alter the distribution given it in Annex IV, subject to the following two conditions:

1. Tonnage transfer between categories of surface vessels shall be free if it is made from the largest to the smallest displacement unit.

It shall also be free in the opposite direction in the case of navies whose aggregate tonnage does not exceed 100,000 tons, but in the case of navies exceeding this figure the tonnage to be transferred may not exceed 60 per cent. of the total tonnage of the corresponding category.

2. Prior to laying down the vessel or vessels to the construction of which the transferred tonnage is allocated, the amount of this tonnage must be notified to the other High Contracting Parties, to the Secretary-General of the League of Nations, and to the Permanent Disarmament Commission.

ever, apply to vessels exempt from limitation under Annex II to this chapter, nor to the special vessels shown in Annex III. These special vessels may not be replaced.

(c) Ships in the categories subject to limitation may only be laid down or acquired in accordance with the replacement rules contained in Annex V, and only in replacement of tonnage in the same category or sub-category which is or becomes over age in accordance with these rules.

Nevertheless, there shall be complete freedom of transfer for purposes of replacement between the cruisers of sub-category (ii) and destroyers.

Vessels which have to be disposed of as being surplus to the tonnage figures set out in Annex IV shall be disposed of in accordance with the rules set out in Annex VI.

(d) Existing ships of various types which prior to April 1, 1933, have been used as stationary training establishments or hulks may be retained in a non-seagoing condition.

Article 30

The High Contracting Parties assent to the rules laid down in Part IV of the Treaty of London and accept them as established rules of international law.

The present article constitutes, as regards those High Contracting Parties to whom the Treaty of London does not apply, the accession contemplated by Article 25 of the said Treaty.

Article 31

It is understood that none of the provisions of the present chapter shall prejudice the attitude of any of the High Contracting Parties at the conferences referred to in Article 30. The present Convention establishes no permanent ratio in any category of ship and creates no precedent as to whether, and if so in what manner, tonnage remaining over-age on December 31, 1936, for which replacement tonnage has not been laid down, may ultimately be replaced.

Article 32

Concurrently with the Conference in 1935 provided for under Article 23 of the Treaty of London, or at least in the same year, there shall be a conference of all the High Contracting Parties possessing naval armaments with a view to the establishment of limitations to be observed after December 31, 1936.

Article-33

The Permanent Disarmament Commission set up under Article 64 of the present Convention will take immediate steps to prepare for the Conference of 1935, referred to in Article 32, by ascertaining the opinions of the High Contracting Parties concerned. It will also examine, with a view to reporting to the said conferences, technical questions of qualitative reduction in the sizes of vessels of war in the various categories, as well as any other questions relating to the limitation of naval armaments which the Commission may consider could appropriately come before the said conference.

Annexes (See Conf. D.157 Addendum)

- I. Definitions—Annex III of the draft Convention, as amended by the Naval Commission.
- II. Exempt vessels—Annex I of the draft Convention, as amended by the Naval Commission.
- III. List of Special Vessels.
- IV. Tonnage figures for Powers other than those signatories of the Treaty of Washington.¹ These figures will be the figures from the returns to the Secretary of the League of Nations reproduced in the Armaments Year Book, 1932, 'exempt' and 'special' vessels being omitted.²

¹ **German Amendment** (Conf. D/C.G./91). Add to the heading of Annex IV after the words 'Treaty of Washington' the words 'and Germany'.

² **Amendment by the Finnish, Polish, Rumanian, Spanish, Swedish, and Yugoslav delegations** (Conf. D/C.G./113). Delete the text of Annex IV and substitute the following table:

	<i>High Contracting Parties</i>			
	A	B	C	D
Class				
Capital ships				
(i)				
(ii)				
Aircraft carriers				
Cruisers (i)	}			
Light surface vessels				
Cruisers (ii)				
Destroyers &c.				
Submarines				
Total tonnage.				

(*Note.* The figures in the table should be submitted by the delegations concerned on the basis of the particulars forwarded to the Secretary-General, brought up to date and completed by the respective Governments.)

- V. Replacement Rules—Annex IV of the draft Convention, as amended by the Naval Commission.
- VI. Rules for Disposal—Annex V of the draft Convention, as amended by the Naval Commission.

Article 34^{1 2 3 4 5 6 7 8}

The High Contracting Parties accept the complete abolition of bombing from the air (except for police purposes in certain outlying regions).

¹ **Siamese amendment** (Conf. D/C.G./64). After the words 'in certain outlying regions' add:

... or for the purpose of territorial defence, but in any case bombardment from the air on the centre of population will be strictly prohibited.

² **German amendment** (Conf. D/C.G./92). Omit the words in brackets and add the following words: 'and the prohibition of all preparations therefor'.

³ **Austrian amendment** (Conf. D/C.G./115). **Hungarian amendment** (Conf. D/C.G./116). Replace this article by the following:

The High Contracting Parties accept the complete abolition of military and naval aircraft and bombing from the air.

All military and naval aircraft will be destroyed within a period of 12 months from the entry into force of the Convention.

⁴ **Spanish proposal** (extract from Conf. D/C.G./55). The High Contracting Parties accept the principle that aircraft shall henceforth not be used for war purposes and they agree to the principle of the prohibition of all bombing from the air. They bind themselves to apply these principles by means of the following measures, which are set out in document Conf. D/C.G./55.

⁵ **The Persian delegation** (Conf. D/C.G./120), although in favour of the complete abolition of bombing from the air, desires, in the event that the last sentence in brackets should not be deleted, to amend it as follows:

Except for police purposes in their possessions the High Contracting Parties accept the complete abolition of bombing from the air.

⁶ **Amendment by the Rumanian, Czechoslovak, and Yugoslav delegations** (Conf. D/C.G./119).

(a) Complete the passage in brackets by the words: 'Outside Europe'.

(b) Complete this article after the passage in brackets by the words 'In respect of which provision will be made for strict supervision and sanctions'.

⁷ **Turkish amendment** (Conf. D/C.G./74). **Chinese amendment** (Conf. D/C.G./84). **Soviet amendment** (Conf. D/C.G./83). **Afghan amendment** (Conf. D/C.G./88). **Polish amendment** (Conf. D/C.G./111). Delete the last sentence in brackets: 'Except for police purposes in certain outlying regions.'

⁸ **Declarations made to the General Commission during the first reading.**

M. Fotitch, in the name of the Little Entente deleted part (a) of the amendment Conf. D/C.G./119 and proposed to omit the sentence between brackets of Article 34. (68th meeting.)

The Netherlands delegation declared itself opposed to bombing from the air, and to the throwing of torpedoes from aircraft. (68th meeting.)

The Swedish delegation declared itself in favour of the total prohibition of bombing from the air, and for the complete abolition of military and naval aviation. (68th meeting.)

Article 35^{1 2 3 4 5}

The Permanent Disarmament Commission set up under Article

Note 8 cont. from previous page.

The Swiss delegation is opposed to all bombardment from the air and to preparation therefor. (68th meeting.)

The U.S.A. delegation declared that it would vote against the use and preparation of the weapon of bombing (68th meeting).

The Norwegian delegation declared that it would vote against the use and preparation of the weapon of bombing. (68th meeting.)

The Japanese delegation declared that it could accept the complete prohibition of bombing from the air if the total abolition of aircraft-carriers and the absolute prohibition of war vessels equipped with landing-bridges or platforms were accepted, and secondly if an agreement were drawn up capable of effectively preventing the use of civil aircraft for military purposes in time of war. (77th meeting.)

¹ Chinese amendment (Conf. D/C.G./84). Modify the text as follows:

The High Contracting Parties agree to the complete abolition of their military and naval aircraft, and undertake to institute effective international supervision of their civil aviation under the auspices of the Permanent Disarmament Commission, in order to prevent its misuse for military purposes.

² Polish observation (Conf. D/C.G./111). This article should be examined either by the Air Committee or by the Drafting Committee, account being taken of the various proposals made during the course of the Conference.

³ German amendment (Conf. D/C.G./92). Replace the present text by the following:

The High Contracting Parties agree that their armed forces shall not include military or naval air forces. All military and naval air material shall be destroyed within the following time limits:

one-half within twelve months of the coming into force of the Convention; the remainder before the expiry of the following year.

In order to prevent the use of civil aviation for military purposes, the High Contracting Parties shall accept the effective control of civil aviation under the conditions laid down in the annex to the present chapter.

Note: The above-mentioned annex will be drawn up by the Air Committee. The rules contained therein must go further than those proposed for a period of five years in the British draft (Annex II), on the understanding, however, that they will not be of such a nature as to hamper the legitimate development of civil aviation.

⁴ Soviet amendment (Conf. D/C.G./83). Austrian amendment (Conf. D/C.G./115). Hungarian amendment (Conf. D/C.G./116). Omit this article.

⁵ Declarations made in the General Commission during the first reading.

M. Paul-Boncour declared that the French delegation was desirous that the work of the Air Committee should be continued; and that it preferred the internationalization of civil aviation. In default, it accepted and asked for permanent and effective supervision, particularly for aeroplanes exceeding the characteristics laid down by the Convention. (67th meeting.)

The Polish delegation was in favour of the internationalization of civil aviation and the institution of an air police force. (68th meeting.)

The Netherlands delegation was opposed to the internationalization of civil aviation. (68th meeting.)

The Rumanian, Czechoslovak, and Yugoslav delegations took into consideration the necessity of internationalization and the forming of an air police force to be placed at the disposal of an international authority. (68th meeting.)

64 of the present Convention shall immediately devote itself to the working out of the best possible schemes providing for:

(a) The complete abolition of military and naval aircraft, which must be dependent on the effective supervision of civil aviation to prevent its misuse for military purposes;

(b) Alternatively, should it prove impossible to ensure such effective supervision, the determination of the minimum number of machines required by each High Contracting Party consistent with his national safety and obligations, and having regard to the particular circumstances of each country.

The schemes prepared by the Permanent Disarmament Commission shall be reported to the second Disarmament Conference. In any case, the measures relating to civil aviation set out in Annex II will apply during the period of the present Convention.

Article 36^{1 2 3}

With a view to effecting the reductions necessary to facilitate the attainment of the objects referred to in Article 35, the number of aeroplanes, capable of use in war, in commission in the land, sea, and air armed forces of each of the High Contracting Parties who at present possess such aeroplanes shall, by the end of the period of the present Convention, not exceed the figures laid down for such Party in the table annexed to this chapter; as regards the other High Contracting Parties, the status quo existing on January 1, 1933, shall be maintained during the said period.

Each of the High Contracting Parties mentioned in the table annexed to this chapter may keep a number of aeroplanes in immediate reserve, not exceeding in each case 25 per cent. of the number of aeroplanes in commission in the land, sea, and air armed forces of such Party.

¹ Polish observation (Conf. D/C.G./111). This article should be examined either by the Air Committee or by the Drafting Committee, account being taken of the various proposals made during the course of the Conference.

² Rumanian, Czechoslovak, and Yugoslav amendment (Conf. D/C.G./119). The amendment concerning figures for aeroplanes and the number in immediate reserve will be submitted when the questions of the internationalization of civil aviation and that of international air police have been settled.

³ Chinese amendment (Conf. D/C.G./84). German amendment (Conf. D/C.G./92). Austrian amendment (Conf. D/C.G./115). Hungarian amendment (Conf. D/C.G./116). Omit this article.

Article 37^{1 2}

The High Contracting Parties agree that their air armaments will not include aeroplanes exceeding 3 tons in weight.³ Exception, however, may be made in the case of troop-carriers and flying-boats. Complete particulars of any such machines exceeding the maximum unladen weight of 3 tons must be returned annually to the Permanent Disarmament Commission.

Article 38⁴

No dirigible shall be constructed or acquired during the period of the present Convention by any of the High Contracting Parties for commission in their land, sea, or air armed forces. The High Contracting Parties who at present possess such dirigibles may, however, retain but not replace them during the said period.

Article 39⁵

The definition of unladen weight is given in Annex I.

Article 40^{6 7 8}

Aeroplanes, capable of use in war, in commission in the land, sea, and air armed forces of any of the High Contracting Parties in excess of the number indicated for such Party in the table annexed to this

¹ **Polish amendment** (Conf. D/C.G./111). Replace this article by the following:

The High Contracting Parties agree that their air armaments will not include aeroplanes and hydroplanes exceeding 3 tons unladen weight.

² **Chinese amendment** (Conf. D/C.G./84). **German amendment** (Conf. D/C.G./92). **Austrian amendment** (Conf. D/C.G./115). **Hungarian amendment** (Conf. D/C.G./116). Omit this article.

³ **U.S.S.R. amendment** (Conf. D/C.G./83). Replace the words '3 tons' by the words: '1½ tons'.

⁴ **German amendment** (Conf. D/C.G./92). **Austrian amendment** (Conf. D/C.G./115). **Hungarian amendment** (Conf. D/C.G./116). Omit this article.

⁵ **Chinese amendment** (Conf. D/C.G./84). **German amendment** (Conf. D/C.G./92). **Austrian amendment** (Conf. D/C.G./115). **Hungarian amendment** (Conf. D/C.G./116). Omit this article.

⁶ **Chinese amendment** (Conf. D/C.G./84). In the first sentence, delete 'in commission' and 'in excess of the number indicated for such Party in the table annexed to this chapter'. In the second sentence delete 'excess' and substitute 'aeroplanes'.

⁷ **Greek amendment** (Conf. D/C.G./89). This delegation wishes to reserve the right to explain to the General Commission the reasons in favour of a modification of the provisions of this article.

⁸ **German amendment** (Conf. D/C.G./92). **Austrian Amendment** (Conf. D/C.G./115). **Hungarian amendment** (Conf. D/C.G./116). Delete this article.

chapter, must have been put out of commission or otherwise disposed of by the end of the period of the present Convention. At least one-half of such excess must, in the case of each such High Contracting Party, have been so dealt with by June 30, 1936.

Article 41^{1 2}

Aeroplanes exceeding the maximum unladen weight indicated in Article 37 and now existing in the armed forces of the High Contracting Parties must all, except in so far as exceptions may be made in accordance with that article, have been destroyed by the end of the period of this Convention. At least half of their number must, in the case of each High Contracting Party, have been destroyed by June 30, 1936.

*Chapter 3. Air Armaments**Table—Aeroplanes*^{3 4 5 6 7 8 9 10 11}

Belgium	150	Netherlands	150
United Kingdom	500	Norway	75
China	100	Poland	200
Czechoslovakia	200	Portugal	25
Denmark	50	Rumania	150
Estonia	50	Siam	75
Finland	25	Spain	200
France	500	Sweden	75
Greece	75	Switzerland	75
Italy	500	Turkey	100
Japan	50	U.S.S.R.	500
Latvia	50	United States of America	500
Lithuania	50	Yugoslavia	200

(Figures will have to be inserted subsequently for the other Parties which at present possess military or naval aeroplanes.)

Annexes I and II (Conf. D./157, pp. 9–10).

¹ Chinese amendment (Conf. D/C.G./84). German amendment (Conf. D/C.G./92). Austrian amendment (Conf. D/C.G./115). Hungarian amendment (Conf. D/C.G./116). Delete this article.

² Rumanian, Czechoslovak, and Yugoslav amendment (Conf. D/C.G./119). Replace in the third line the words: 'have been destroyed' by the words: 'to be placed at the disposal of the League of Nations for joint action'. Delete the last sentence of this Article.

³ Finnish reservation (i) (Conf. D/C.G./77). The Finnish delegation reserves the right during the course of the discussion on the table annexed to Air Armaments, to make a statement concerning the minimum number of aeroplanes the Finnish Government are anxious to maintain pending the willingness of some other States to reduce their air forces.

Finnish amendment (ii) (Conf. D/C.G./146). The Finnish delegation considers the number of aeroplanes allocated notably insufficient.

For notes 4–11 see following page.

Proposed New Chapter^{1 2 3}

Notes 4-11 cont. from previous page.

⁴ **Soviet amendment** (Conf. D/C.G./85). The table is not complete and the delegation of the U.S.S.R. cannot give a definite opinion. It reserves the right, if necessary, to submit amendments when the table is completed.

⁵ **Polish reservation** (Conf. D/C.G./111). The Polish delegation reserves the right to specify the minimum number of aeroplanes essential for the defence requirements of its country on the basis of the following criterion to be defined in the Conference's discussions:

(1) the number of aeroplanes allotted to other countries, more particularly to those in the areas bordering on Poland;

(2) an equitable relation between the number of effectives and the amount of material at their disposal;

(3) the effectiveness of supervision of civil aviation.

⁶ **Greek reservation** (Conf. D/C.G./89). **Siamese reservation** (Conf. D/C.G./99). These delegations reserve the right, during the course of the discussion, to make a statement concerning the reasons in favour of a modification of the figure fixed.

⁷ **Swiss reservation** (Conf. D/C.G./95). The Swiss delegation reserves the right to explain why this figure would be insufficient for the defence of a country in the geographical situation of Switzerland.

⁸ **Turkish amendment** (Conf. D/C.G./74). In the table, the figure 100 should be replaced by the figure fixed for the European States which may be assimilated by Turkey.

⁹ **Rumanian, Czechoslovak, and Yugoslav amendment** (Conf. D/C.G./119). General reservation. (See amendment to Article 36.)

¹⁰ **German amendment** (Conf. D/C.G./92). **Austrian amendment** (Conf. D/C.G./115). **Hungarian amendment** (Conf. D/C.G./116). Delete this table.

¹¹ **Observations made in the General Commission during the first reading.** The Swedish delegation made a reservation with regard to figures, if the table were modified later.

¹ **French amendment** (Conf. D/C.G./122). Insert a new chapter in Part II, Section II.

Chapter 4. Limitation and supervision of the Manufacture of and Trade in War Material

Article A

The following provision shall apply to the manufacture of and trade in the article enumerated in Annex I.

(The categories of war material subject to the regulations laid down hereinafter shall be determined by the conclusions of the Conference, with regard to the quantitative limitation of material and shall include, as far as may be necessary, the articles covered by categories I (sub-categories A and B), III (sub-category 2), and V (sub-category 1) of Article I of the 1925 Convention on the Supervision of the International Trade in Arms and Ammunition and in Implements of War.)

Article B

1. Annex I fixes the quotas within the limits of which each of the High Contracting Parties may, during the period of application of the present Convention, procure the said articles, whether the latter are manufactured or imported by it direct or on its behalf.

2. The manufactures or imports of the said articles effected on behalf of other Powers within the limits of the jurisdiction of each High Contracting

For continuation of note 1 and notes 2-3 see following pages.

Party must not have the effect of causing the amount of the quotas assigned to it to be exceeded by more than x per cent.

3. It shall be for the Permanent Disarmament Commission to judge at any time whether:

(a) The rate of supply of the said articles to each of the High Contracting Parties, as shown in particular by the licences or declarations of manufacture or export transmitted to the Secretary-General of the League of Nations, is in relation with the size of the quotas assigned to that Party.

(b) If the nature of the supplies delivered to the High Contracting Parties, whose armed land forces are subject to the provisions of Part II, Section I, Chapter 2, of the present Convention, answers to the requirements of the progressive standardization of war material provided for, as between those Powers, by other clauses of the present Convention.

4. The Secretary-General of the League of Nations shall only give the visa provided for in Article D below if the amount and, according to circumstances, the nature of the material supplied to the Power that is the consignee or importer meet with the approval of the Permanent Disarmament Commission.

Article C

The High Contracting Parties undertake not to order the said articles to be manufactured or to export them or to permit their exportation, unless the following conditions be fulfilled:

(a) The characteristics of the arms or material shall comply with the present Convention.

(b) Export or manufacture shall take place with a view to direct supply to a Government or, with the assent of the said Government, to some public authority under its control.

(c) Supplies of material to the consignee or importing Power must be approved by the Permanent Disarmament Commission.

Article D

1. In every case of an order for manufacture or the export of the said articles, the Government of the High Contracting Party shall issue an export or manufacture licence or declaration.

2. The said licence or declaration, which shall be made out in duplicate, one copy being immediately addressed to the Secretary-General of the League of Nations, shall contain:

(a) A description permitting of the identification of the material to which it applies, together with particulars of the said articles in accordance with the headings of Annex I and details of their numbers or weight and their principal characteristics, more especially the calibre of artillery and the tonnage of tanks.

(b) The name of the exporter or factory.

(c) The name of the consignee.

(d) The name of the Government, if any, having authorized importation.

In addition, the licence or declaration must be accompanied by a certificate from the Secretary-General of the League of Nations attesting that the said supplies have been approved by the Permanent Disarmament Commission.

Article E

The international trade in arms, ammunition, and implements of war other than the articles enumerated in Annex I shall be governed by the provisions of Annex II to the present chapter.

The High Contracting Parties shall comply with these provisions.

(Annex II will reproduce, with such amendments or additions as may appear appropriate, the provisions of the 1925 Convention on the Supervision of International Trade in Arms, Ammunition, and Implements of War.)

For continuation of note 1 and notes 2-3 see following page.

PART III. EXCHANGE OF INFORMATION

Articles 42 to 46

(The provisions of this part will depend in the main on the limitations and restrictions imposed by the other parts of the Convention. It does not seem necessary, therefore, to attempt to draft them now. It is only necessary to note that Articles 34 and 35 of the draft Convention will have to be reproduced.)

[Articles 34 and 35 of the draft Convention prepared by the Preparatory Commission.]

Article 34

Within one month after the date of laying down and the date of

Notes 1-3 cont. from previous page.

Article F

The private manufacture of arms, ammunition, and implements of war shall be governed by the provisions of Annex III to the present chapter.

The High Contracting Parties shall comply with these provisions.

(Annex III will reproduce, with such amendments or additions as may appear appropriate, the provisions of the 1929 draft Convention regarding the supervision of the manufacture of arms, ammunition, and implements of war.)

² Addition proposed by the Spanish delegation (Conf. D/C.G./144).

Chapter 4. Limitation and Supervision of the Manufacture of and Trade in War Material

1. The High Contracting Parties undertake to recognize that the régime of the manufacture of and trade in arms has no private character, and to assume full responsibility for any conduct contrary to the provisions of the present Convention in connexion with the manufacture and trade.

2. The High Contracting Parties hereby accept the principle of national and international supervision of the trade in and private and State manufacture of arms, ammunition, and implements of war, by means of a system of quotas and licences for manufacture, export, import, and transit, which will be co-ordinated, for purposes of supervision and publicity, by a special body under the supreme direction of the Permanent Disarmament Commission.

3. The Permanent Disarmament Commission will be responsible for drawing up rules for the application of the two foregoing principles, which rules will be submitted for the approval of the signatory Governments.

³ Proposal by the French delegation (Conf. D/C.G./132).

*Part II. Section III. Expenditure
New Article*

The total expenditure on national defence of each of the High Contracting Parties shall be limited to the figure fixed for it in the table appended to the present section.

The conditions for the application of this limitation are defined in the annex to the present section.

(The annex will define what is to be meant by national defence expenditure, and will determine the rules for the application of limitation on the basis of the recommendations made in connexion with point 6 of the Report of the Expenditure Commission and in the Report of the Technical Committee.) (Conf. D/161 and Conf. D/158.)

completion respectively of each vessel of war, other than the vessels exempt from limitation under Annex I to Chapter B of Part II, laid down or completed by or for them or within their jurisdiction after the coming into force of the present Convention, the High Contracting Parties shall communicate to the Secretary-General of the League of Nations the information detailed below:

- (a) The date of laying down the keel and the following particulars: Classification of the vessel and for whom built (if not for the High Contracting Party); standard displacement in tons and metric tons; principal dimensions—namely, length of water-line, extreme beam at or below water-line; mean draught at standard displacement; calibre of the largest gun.
- (b) The date of completion, together with the foregoing particulars relating to the vessel at that date.

The above information shall be immediately communicated by the Secretary-General to all the High Contracting Parties and shall be published by the Secretary-General not later than . . . in each year.

Article 35

Each of the High Contracting Parties shall communicate to the Secretariat of the League of Nations the name and tonnage of any vessel constructed in accordance with Article 19 (Chapter II). With regard to existing vessels of this type, this communication shall be made within two months after ratification of the present Convention. With regard to vessels to be constructed, the communication shall be made on the date of completion.]

PART IV. CHEMICAL WARFARE

SECTION I. PROHIBITION OF CHEMICAL, INCENDIARY, OR BACTERIAL WARFARE

Article 47

The following provision is accepted as an established rule of International Law:

The use of chemical, incendiary, or bacterial weapons as against any State, whether or not a Party to the present Convention, and in any war, whatever its character, is prohibited.

This provision does not, however, deprive any Party which has been the victim of the illegal use of chemical or incendiary weapons

of the right to retaliate, subject to such conditions as may hereafter be agreed.¹

With a view to the application of this rule to each of these categories of weapons, the High Contracting Parties agree upon the following provisions:

Article 48

The prohibition of the use of chemical weapons shall apply to the use, by any method whatsoever, for the purpose of injuring an adversary, of any natural or synthetic substance harmful to the human or animal organism, whether solid, liquid, or gaseous, such as toxic, asphyxiating, lachrymatory, irritant, or vesicant substances.

This prohibition shall not apply:

- (a) to explosives;
- (b) to the noxious substances arising from the combustion or detonation of explosives, provided that such explosives have not been designed or used with the object of producing noxious substances;
- (c) to smoke or fog used to screen objectives or for other military purposes, provided that such smoke or fog is not liable to produce harmful effects under normal conditions of use.

Article 49

The prohibition of the use of incendiary weapons shall apply to:

- (1) The use of projectiles specifically intended to cause fires.

The prohibition shall not apply to:

- (a) projectiles specially constructed to give light or to be luminous, and generally to pyrotechnics not intended to cause fires, or to projectiles of all kinds capable of producing incendiary effects accidentally;
 - (b) incendiary projectiles designed specifically for defence against aircraft, provided that they are used exclusively for that purpose.
- (2) The use of appliances designed to attack persons by fire, such as flame-projectors.

Article 50

The prohibition of the use of bacterial arms shall apply to the use for the purpose of injuring an adversary of all methods for the dissemination of pathogenic microbes, or of filter-passing viruses, or of infected substances, whether for the purpose of bringing them into

¹ Amendment proposed by the delegations of the Little Entente (Conf. D/C.G./123). Delete the third paragraph of this article.

immediate contact with human beings, animals, or plants, or for the purpose of affecting any of the latter in any manner—for example, by polluting the atmosphere, water, foodstuffs, or any other objects.

SECTION II. PROHIBITION OF PREPARATIONS FOR CHEMICAL, INCENDIARY, AND BACTERIAL WARFARE

Article 51

All preparations for chemical, incendiary, or bacterial warfare shall be prohibited in time of peace as in time of war.

Article 52

In order to enforce the aforesaid general prohibition it shall in particular be prohibited:

(1) To manufacture, import, export, or be in possession of appliances or substances exclusively suited to chemical or incendiary warfare.

The quantities of chemical substances necessary for protective experiments, therapeutic research, and laboratory work shall be excepted. The High Contracting Parties shall inform the Permanent Disarmament Commission of the quantities of the said substances necessary for their protective experiments.

The manufacture of and trade in these substances may not be undertaken without Government authorization.

(2) To manufacture, import, export, or be in possession of appliances or substances suitable for both peaceful and military purposes with intent to use them in violation of the prohibition contained in Article 48.

(3) To instruct or train armed forces in the use of chemical, incendiary, or bacterial weapons and means of warfare, or to permit any instruction or training for such purposes within their jurisdiction.

Article 53

The provisions of Articles 51 and 52 shall not restrict the freedom of the High Contracting Parties in regard to material and installations intended exclusively to ensure individual or collective protection against the effects of chemical, incendiary, or bacterial weapons, or to training with a view to individual or collective protection against the effects of the said weapons.

Article 54¹

The High Contracting Parties shall inform the Permanent Disarmament Commission of the lachrymatory substances intended to be used by their authorities for police operations, as well as the number of the various appliances by means of which they are to be utilized.

SECTION III. SUPERVISION OF THE OBSERVANCE OF THE PROHIBITION
OF PREPARATIONS FOR CHEMICAL, INCENDIARY, OR BACTERIAL
WARFARE.

Article 55

The Permanent Disarmament Commission shall examine the complaints put forward by any Party which may allege that the prohibition to prepare for chemical, incendiary, or bacterial warfare has been violated.

SECTION IV. ESTABLISHMENT OF THE FACT OF THE USE OF CHEMICAL,
INCENDIARY, OR BACTERIAL WEAPONS

Article 56

Any Party claiming that chemical, incendiary, or bacterial weapons have been used against it shall notify the Permanent Disarmament Commission.

It shall, at the same time, notify the authority designated for the purpose by the Permanent Disarmament Commission or, failing such authority, the doyen of the Diplomatic Corps accredited to it, with a view to the immediate constitution of a commission of investigation.

If the above-mentioned authority has received the necessary powers, it shall itself act as a commission of investigation.

Article 57

The Commission of Investigation shall proceed with all possible speed to the inquiries necessary to determine whether chemical, incendiary, or bacterial weapons have been used.

It shall report to the Permanent Disarmament Commission.

¹ Amendment by the delegation of the United States of America (Conf. D/C.G./136). *The High Contracting Parties undertake to inform the Permanent Disarmament Commission annually of the nature of the lachrymatory substances used by their governmental agencies or instrumentalities for police operations, as well as of the number and character of the various appliances by which the said lachrymatory substances are utilized.*

Article 58

The Permanent Disarmament Commission shall invite the Party against which the complaint has been made to furnish explanations.

It may send commissioners to the territory under the control of that Party for the purpose of proceeding to an inquiry, to determine whether chemical, incendiary, or bacterial arms have been used.

Article 59

The Permanent Commission may also carry out any other inquiry with the same object.

Article 60

The Parties involved in the above-mentioned operations, and, in general, all the Parties to the present Convention, shall take the necessary measures to facilitate these operations, particularly as regards the rapid transport of persons and correspondence.

Article 61

According to the result of the above-mentioned operations, the Permanent Commission, acting with all possible speed, shall establish whether chemical, incendiary, or bacterial weapons have been used.

Article 62¹

The details of the application of the provisions of this chapter shall be fixed by regulations to be issued by the Permanent Disarmament Commission.

PART V. MISCELLANEOUS PROVISIONS

SECTION I. PERMANENT DISARMAMENT COMMISSION

Chapter 1. Composition

Article 64

There shall be set up at the seat of the League of Nations a Permanent Disarmament Commission composed of representatives of the Governments of the High Contracting Parties. Each such Government shall appoint one member of the Commission. Each member may be accompanied by substitutes and experts.

The Governments of the High Contracting Parties will inform the Secretary-General of the League of Nations of the names of their representatives, substitutes, and experts on their nomination and on any changes being made.

¹ Arts. 52-63 became Arts. 51-62 after redrafting of Arts. 50-1 as one.

Article 65

The Commission shall set up committees whose number, composition, and functions shall be decided by the Commission.

Article 66

The Commission may be assisted by experts chosen by itself, other than any experts appointed by the High Contracting Parties to accompany their representatives.

Article 67

The members of the Commission, their substitutes and experts, and the experts and officials of the Commission, when engaged on business of the Commission, shall enjoy diplomatic privileges and immunities.

Article 68

The Secretary-General of the League of Nations shall provide the Secretariat of the Commission.

Chapter 2. Functions

Article 69

It will be the duty of the Commission to watch the execution of the present Convention. The Commission shall receive all the information which the High Contracting Parties are bound to communicate to the Secretary-General of the League of Nations in pursuance of their international obligations in this respect. The Commission may request the High Contracting Parties to supply, in writing or verbally, any supplementary particulars or explanations in regard to the said information which it may consider necessary.

Article 70¹

The Commission may take into account any other information which may reach it from a responsible source and which it may consider worth attention.

Article 71

The Commission shall be entitled to have any person heard or consulted who is in a position to throw any light on the question which is being examined by the Commission.

¹ **French amendment** (Conf. D/C.G./126). The Commission *shall proceed to examine* and may take into account any other information which may be submitted to it *by one of its members* or which may reach it from a responsible source.

Article 72

Any High Contracting Party whose observance of the execution of the present Convention may have been the subject of criticism shall be entitled to request the Commission to conduct in his territory such investigations as may be necessary in order to verify the execution of the obligations of the said Party under the present Convention.

On receipt of such a request, the Commission shall meet at once in order to give effect to it, to determine the scope of the investigation within the limits of the criticism which has been made, and to lay down the conditions in which the investigation is to take place.

Article 73

At the request of one or more of the High Contracting Parties, the Commission may decide to have investigations of alleged infractions of the Convention conducted on the territory of any High Contracting Party.

On the receipt of such a request, the Committee shall meet at once in order to take a decision upon it.

Its decision, which will determine the scope of the investigation, if such is decided upon, shall be taken by a two-thirds majority of all the members of the Commission, whether present at the meeting or not.¹

Article 74

The result of the investigations decided upon in accordance with Articles 72 and 73 shall be embodied in each case in a special report by the Commission.

The High Contracting Parties shall promptly advise as to the conclusions of the report.

Article 75²

Independently of the investigations referred to in Articles 72 and

¹ **French amendment** (Conf. D/C.G./126). Its decision, which will determine the scope of the investigation, shall be taken by a two-thirds majority of the members of the Commission present at the meeting.

² **French amendment** (Conf. D/C.G./125).

(1) Independently of the investigations referred to in Articles 72 and 73, the Permanent Disarmament Commission shall, as soon as it enters upon its duties, arrange for a regular inspection of the armaments of the High Contracting Parties involving an investigation in each State at least once every year.

(2) For this purpose the Commission shall set up the necessary inspection organizations. The duty of the latter shall be to satisfy themselves constantly as to the execution of any undertaking entered into in the present Convention. Each of them shall have full freedom to arrange, in the best interests of its mission, its movements within the States of the area assigned to it.

(3) The annex to the present chapter shall lay down the rules regarding the composition and working of these inspection organizations. It shall be for

73, the Commission shall be entitled to conduct periodic investigations in regard to States which have made a special agreement to that effect.

Article 76

The Commission shall make, at least once a year, a report showing the situation as regards the execution of the present Convention and containing any observations which this situation may suggest to it.

Article 77

If one of the High Contracting Parties is of opinion that the provisions of the present Convention have been infringed, or that a threat of infringement exists, such Party may address a complaint to the Commission.

The Commission will invite the High Contracting Party whose attitude has produced the complaint to supply it with all explanations which may be useful. The Commission will proceed to investigate the matter, and may employ with this object the various methods of obtaining information provided for in the present Convention.

The Commission will draw up as soon as possible a reasoned report on the result of its investigation.

The High Contracting Parties shall promptly advise as to the conclusions of the report.

Article 78

Each member of the Commission shall be entitled to require that, in any report by the Commission, account shall be taken of the opinions or suggestions put forward by him, if necessary in the form of a separate report.

Article 79

All reports by the Commission shall be immediately communicated to the High Contracting Parties and to the Council of the League of Nations. They shall be made public as soon as possible in the conditions determined by the Commission.¹

Note cont. from previous page.

the Commission to fix in accordance with these rules regional regulations regarding investigations, which it shall subsequently be entitled to modify by decisions taken by a two-thirds majority of the members present at the meeting.

(4) The President of each inspection organization may, as the result of an investigation, cause a meeting of the Commission to be convened.

¹ **French amendment** (Conf. D/C.G./127). Add a second paragraph as follows:

The High Contracting Parties shall not take or authorize any measure of a nature to restrict the publication of the reports and documents emanating from the Commission and made public by the latter or by the Council of the League of Nations. Each of the High Contracting Parties shall employ the means at its disposal to prevent direct or indirect acts of reprisals being taken against any person in connexion with such publication.

Article 80

The Commission shall prepare, for submission to the High Contracting Parties, such agreements as may be necessary to ensure the execution of the present Convention.

Article 81

The Commission shall make preparations for the conference to be held in accordance with Article 95 of the present Convention in order to facilitate the subsequent stages of disarmament.

Article 82

The Commission shall in general carry out any preliminary studies which may appear useful for the execution of its duties.

Article 83

Within the limits of its functions, the Commission shall supply the Council of the League of Nations with any information and advice which the Council may request of it.

Proposed New Article¹

¹ New Article proposed by the French delegation (Conf. D/C.G./124).

Immunities

(1) The publication or disclosure, by persons not exercising any State functions, of information relating to points forming the subject, in the present Convention, of undertakings regarding limitation or publicity, whereby a failure to observe the undertakings thus entered into is established, may not give rise to any criminal proceedings.

(2) Any proceedings taken for untruthfully denouncing an alleged failure to observe the Convention shall be heard in public; if, for special reasons, this publicity is not possible, the Permanent Disarmament Commission shall have the right to appoint representatives to follow the proceedings.

(3) Any person who has in good faith furnished the Permanent Commission, in the course of an inquiry, either at the request of the Commission or its delegates or of his own free will, with information relating to the exact execution of the undertakings entered into in the present Convention may not be proceeded against by reason of this fact, and shall be protected by the competent authorities against any reprisals.

This immunity must be guaranteed even to officials, provided always that in the case of information furnished spontaneously during an inquiry, the official has previously informed his superiors of the fact constituting a failure to observe the Convention, and that no steps have been taken to deal with the matter.

(4) The Permanent Commission shall be informed of any proceedings for giving false evidence taken against a witness who, in the course of an inquiry, has made a deposition before the Commission or its delegates.

*Chapter 3. Operation**Article 84*

The Commission shall meet for the first time, on being summoned by the Secretary-General of the League of Nations, within three months from the entry into force of the present Convention, to elect a provisional President and Vice-President and to draw up its Rules of Procedure.

Thereafter it shall meet at least once a year in ordinary session on the date fixed in its Rules of Procedure.

It shall also meet in extraordinary session :

- (1) When such a meeting is prescribed by the present Convention ;
- (2) If its Bureau so decides, either of its own motion or on the request of one of the High Contracting Parties ;
- (3) On the request of the Council of the League of Nations.

Article 85

The High Contracting Parties will furnish the delegates of the Commission who are entrusted with the investigations referred to in Articles 72, 73, and 75 with the necessary facilities for the execution of their mission. The Parties will employ the means at their disposal to secure the attendance of any witnesses whom the delegates of the Commission may wish to hear.

Article 86^{1 2}

Except where otherwise provided by the present Convention, the decisions of the Commission shall be taken by a majority of the members present at the meeting.

A minority report may be drawn up.

Article 87

The general expenditure of the Commission shall form the subject of a special chapter in the budget of the League of Nations.

¹ **French amendment** (Conf. D/C.G./126). Except where otherwise provided by the present Convention, the decisions of the Commission shall be taken by a majority of the members present at the meeting. *In calculating this majority members who abstain from voting shall be regarded as being absent.* A minority report may be drawn up.

² **Turkish amendment** (Conf. D/C.G./130). *In addition to the stipulations of the present Convention, the Commission's procedure for the taking of decisions in regard to all questions coming within its competence will be laid down in the Commission's Rules of Procedure.*

Those Rules of Procedure must be adopted by a majority of two-thirds of the Members of the Commission present.

The High Contracting Parties who are not members of the League shall bear a reasonable share of the said expenditure. An agreement to this effect will be reached between these Parties and the Secretary-General of the Commission.

The travelling expenses and subsistence allowances of the members of the Commission, their substitutes and experts, shall be paid by their respective Governments.

The Commission shall draw up regulations relating to the expenditure necessitated by its work.

SECTION II. DEROGATIONS

Article 88

Should any of the High Contracting Parties become engaged in war, or should a change of circumstances constitute, in the opinion of any High Contracting Party, a menace to his national security, such Party may suspend temporarily, in so far as he is concerned, any provision or provisions of the present Convention, other than those contained in Articles 30, 34, and 47 to 63, provided that:

(a) Such High Contracting Party shall immediately notify the other High Contracting Parties, and at the same time the Permanent Disarmament Commission, of such temporary suspension and of the extent thereof;

(b) In the event of the suspension being based upon a change of circumstances, the High Contracting Party concerned shall, simultaneously with the said notification, communicate to the other High Contracting Parties and to the Permanent Disarmament Commission a full explanation of such change of circumstances.

Thereupon the other High Contracting Parties shall promptly advise as to the situation thus presented.

When the reasons for such temporary suspension have ceased to exist, the said High Contracting Party shall reduce his armaments to the level agreed upon in the Convention and shall make immediate notification to the other High Contracting Parties.

SECTION III. FINAL PROVISIONS

Article 89^{1 2}

It is hereby declared that the loyal execution of the present Convention is a matter of common interest to the High Contracting Parties.

For notes 1-2 see following page.

Article 90

The present Convention is not to be interpreted as restricting the provisions of the Covenant of the League of Nations—in particular those which fix the powers of the Council and the Assembly.

Article 91

If a dispute arises between two or more of the High Contracting Parties concerning the interpretation or application of the provisions of the present Convention, and cannot be settled either directly between the Parties or by some other method of friendly settlement, the Parties will, at the request of any one of them, submit such dispute to the decision of the Permanent Court of International Justice, or to an arbitral tribunal chosen by them.

Article 92

The present Convention shall be ratified by the High Contracting Parties in accordance with their respective constitutional methods. The instruments of ratification shall be deposited with the Secretary-General of the League of Nations.

The present Convention shall come into force, for each Party whose instrument of ratification has been deposited, as soon as the instruments of ratification have been deposited by . . . (list to be drawn up by the Conference).

Notes 1–2 from previous page.

¹ **New Article 89 (a) (French proposal.** Conf. D/C.G./128).

Should the Commission, either directly or as the result of an investigation or a complaint, have established a violation of the engagements contained in the present Convention, it shall without delay call on the High Contracting Party at fault to observe its undertakings within a period to be fixed by the Commission.

The Commission shall further appoint a Committee of inspection to satisfy itself that, within the period laid down, the provisions of the Convention are being observed and that the said violation no longer exists.

If the said violation continues, the High Contracting Parties shall employ in common against the High Contracting Party, which has not complied with its undertakings, the necessary means of pressure to ensure the execution of the Convention.

If war breaks out as the result of a violation of the undertakings contained in the present Convention, the High Contracting Parties and Members of the League of Nations shall consider the said violation as *prima facie* evidence that the party guilty thereof has had recourse to war within the meaning of Article 16 of the Covenant of the League of Nations.

(The present Section III, beginning with Article 90, would become Section IV.)

² **United States reservation** (General Commission, June 1 (P.V. 73, p. 6)).

The United States to be excluded from any implied obligation to do more than the American delegation had definitely indicated its willingness to do.

Article 93

Each of the High Contracting Parties will take the necessary measures for carrying the provisions of the present Convention into effect as soon as it has come into force for such Party.

Article 94

Except as provided in the following paragraphs of this article, the present Convention shall remain in force for five years from the date on which it comes into force in accordance with the second paragraph of Article 92.

Chapter 2 of Section II of Part II (Naval Armaments), and Table II annexed to Section I of Part II (Naval Effectives) shall remain in force until December 31, 1936.

The rules referred to in Article 30 remain in force, as provided in Article 23 of the Treaty of London, without limit of time. Article 34 and Sections I, II, and III of Part IV shall also remain in force without limit of time.

Article 95

Not later than . . . years from the date on which the present Convention comes into force, a conference of the High Contracting Parties shall meet at Geneva. It will be the duty of the said conference to prepare and conclude a new Convention, which will replace the present Convention and will carry on the work of the reduction and limitation of armaments begun by the present Convention.

Article 96^{1 2 3}

The present Convention, together with the further Conventions to be concluded in accordance with Article 95 and Article 32, will replace, as between the respective Parties to the Treaties of Versailles, St. Germain, Trianon and Neuilly, those provisions of Part V (Military,

¹ **Turkish amendment** (Conf. D/C.G./131). The present Convention, together with the further Conventions to be concluded in accordance with Article 95 and Article 32, will replace, as between the respective Parties to the Treaties of Versailles, St. Germain, Trianon, Neuilly and *Lausanne*, those provisions of Part V (Military, Naval and Air Clauses) of each of the Treaties of Versailles, St. Germain and Trianon, and of Part IV (Military, Naval and Air Clauses) of the Treaty of Neuilly, which at present limit the arms and armed forces of Germany, Austria, Hungary and Bulgaria respectively, and also the Convention in regard to the frontier of Thrace, in the Treaty of *Lausanne*.

² The delegations of the Little Entente, Greece, Poland and France made a general reservation to this article (General Commission, June 1, P.V. 73, p. 11).

³ The Japanese delegation maintained its general reservation with regard to the question of supervision (General Commission, June 1, P.V. 73, p. 11).

Naval and Air Clauses) of each of the Treaties of Versailles, St. Germain and Trianon, and of Part IV (Military, Naval and Air Clauses) of the Treaty of Neuilly, which at present limit the arms and armed forces of Germany, Austria, Hungary and Bulgaria respectively.

(iii) *Message on Disarmament from the President of the United States of America, May 16, 1933.*¹

A profound hope of the people of my country impels me, as the head of their Government, to address you and, through you, the people of your nation. This hope is that peace may be assured through practical measures of disarmament and that all of us may carry to victory our common struggle against economic chaos.

To these ends the nations have called two great world conferences. The happiness, the prosperity, and the very lives of the men, women and children who inhabit the whole world are bound up in the decisions which their Governments will make in the near future. The improvement of social conditions, the preservation of individual human rights, and the furtherance of social justice are dependent upon these decisions.

The World Economic Conference will meet soon and must come to its conclusions quickly. The world cannot await deliberations long drawn out. The Conference must establish order in place of the present chaos by a stabilization of currencies, by freeing the flow of world trade, and by international action to raise price levels. It must, in short, supplement individual domestic programmes for economic recovery by wise and considered international action.

The Disarmament Conference has laboured for more than a year and, as yet, has been unable to reach satisfactory conclusions. Confused purposes still clash dangerously. Our duty lies in the direction of bringing practical results through concerted action based upon the greatest good to the greatest number. Before the imperative call of this great duty, petty obstacles must be swept away and petty aims forgotten. A selfish victory is always destined to be an ultimate defeat. The furtherance of durable peace for our generation in every part of the world is the only goal worthy of our best efforts.

If we ask what are the reasons for armaments, which, in spite of the lessons and tragedies of the World War, are to-day a greater burden on the peoples of the earth than ever before, it becomes clear

¹ Addressed to the Heads of the fifty-four States taking part in the Disarmament and Economic Conferences. U.S. State Department Press Releases, No. 190, May 20, 1933.

that they are twofold: First, the desire, disclosed or hidden, on the part of Governments to enlarge their territories at the expense of a sister nation. I believe that only a small minority of Governments or of peoples harbour such a purpose. Second, the fear of nations that they will be invaded. I believe that the overwhelming majority of peoples feel obliged to retain excessive armaments because they fear some act of aggression against them and not because they themselves seek to be aggressors.

There is justification for this fear. Modern weapons of offence are vastly stronger than modern weapons of defence. Frontier forts, trenches, wire entanglements, coast defences—in a word, fixed fortifications—are no longer impregnable to the attack of war planes, heavy mobile artillery, land battleships called tanks, and poison gas.

If all nations will agree wholly to eliminate from possession and use the weapons which make possible a successful attack, defences automatically will become impregnable, and the frontiers and independence of every nation will become secure.

The ultimate objective of the Disarmament Conference must be the complete elimination of all offensive weapons. The immediate objective is a substantial reduction of some of these weapons and the elimination of many others.

This Government believes that the programme for immediate reduction of aggressive weapons, now under discussion at Geneva, is but a first step towards our ultimate goal. We do not believe that the proposed immediate steps go far enough. Nevertheless, this Government welcomes the measures now proposed and will exert its influence towards the attainment of further successive steps of disarmament.

Stated in the clearest way, there are three steps to be agreed upon in the present discussions:

First, to take, at once, the first definite step towards this objective, as broadly outlined in the MacDonald Plan.

Second, to agree upon time and procedure for taking the following steps.

Third, to agree that, while the first and the following steps are being taken, no nation shall increase its existing armaments over and above the limitations of treaty obligations.

But the peace of the world must be assured during the whole period of disarmament and I, therefore, propose a fourth step concurrent with and wholly dependent on the faithful fulfilment of these three proposals and subject to existing treaty rights:

That all the nations of the world should enter into a solemn and definite pact of non-aggression: That they should solemnly reaffirm

the obligations they have assumed to limit and reduce their armaments, and, provided these obligations are faithfully executed by all signatory powers, individually agree that they will send no armed force of whatsoever nature across their frontiers.

Common sense points out that if any strong nation refuses to join with genuine sincerity in these concerted efforts for political and economic peace, the one at Geneva and the other at London, progress can be obstructed and ultimately blocked. In such event the civilized world, seeking both forms of peace, will know where the responsibility for failure lies. I urge that no nation assume such a responsibility, and that all the nations joined in these great conferences translate their professed policies into action. This is the way to political and economic peace.

I trust that your Government will join in the fulfilment of these hopes.

FRANKLIN D. ROOSEVELT.

(iv) *Speech by Herr Adolf Hitler, Chancellor of the Reich, May 17, 1933.*¹

I have asked Herr Göring, President of the Reichstag, in the name of the German Government, to convene the Reichstag in order to make a statement before this assembly on the questions which are agitating not merely our own people but the whole world. The problems, with which you are familiar, are of such importance that not only political peace but also economic salvation for all depend on their successful solution. If, in the name of the German Government, I express the wish that they shall be treated in a completely dispassionate manner, I do so mainly in the conviction, which is weighing on us all, that the deepest causes of the present crisis lie in the passions which clouded the judgement and wisdom of nations after the War. For all the problems which are causing such unrest to-day lie in the deficiencies of the Treaty of Peace which did not succeed in solving in a clear and reasonable way the questions of the most decisive importance for the future. Neither national nor economic—to say nothing of legal—problems and demands of the nations were settled by this treaty in such a way as to stand the criticism of reason in the future. It is, therefore, natural that the idea of revision is not only one of the constant accompaniments and effects of this treaty, but that it was actually foreseen as necessary by the authors of the Treaty and, therefore, given a legal foundation in the Treaty itself.

¹ In the Reichstag. Translation published by the Terramare Office, Berlin.

If I deal briefly with the problems which the Versailles Treaty ought to have settled, I do so because its failure in this respect has inevitably given rise to the later situations under which the political and economic relations of States have since then been suffering.

The political and national problems are the following:

For many centuries European States and their frontiers developed from conceptions which were only concerned with the State as such. With the triumph of the national conception and of the principle of nationality in the course of the last century, the seed of many conflicts was sown by the failure of States, which had come into existence under other conditions, to take into account these new ideas and ideals. At the end of the World War there could have been no nobler task for a real Peace Conference than to undertake—in the clear recognition of this fact—a territorial and political reorganization of the European States which should in the highest degree possible do justice to this principle. The more such a settlement succeeded in making the frontiers between peoples coincide with the frontiers between States, the more it would have eliminated a whole series of future possibilities of conflict. Indeed, this territorial reorganization of Europe, taking account of the real and historical frontiers between peoples, could have been a far-sighted solution which would perhaps have made the sacrifice of life during the Great War appear to conquerors and conquered alike not to have been made in vain, because it would have given the world a basis for a real and lasting peace. As it was, through ignorance, passion and hatred, decisions were taken which, in their injustice and lack of logic, bore the seeds of fresh conflicts.

The following are the economic problems which the Conference had to solve:

The main characteristics of the present precarious economic situation of Europe are the overcrowding of the west of Europe, and the poverty of its soil in certain raw materials which are essential to the standard of life which has grown up in those territories with their ancient culture. If the statesmen at Versailles wanted to bring lasting peace to Europe by means of the Treaty, then, instead of falling victims to the dangerous and sterile conceptions of expiation, punishment and reparation, they should have recognized and followed the profound truth that the lack of the necessities of life has always been, and always will be, a source of conflict between peoples. Instead of preaching the idea of extermination, they should have considered how a reorganization of international political and economic relationships could best be undertaken so as to do justice as far as possible

to the vital needs of each nation. It is not wise to deprive a people of the economic resources necessary for its existence without taking into consideration the fact that the population dependent and relying on them will still remain and will still have to be fed.

The idea that the economic extermination of a nation of sixty-five millions would be of service to other nations is so absurd that nobody would dare openly to champion it to-day.

It was even more absurd to suppose that this extermination could be achieved by methods which, according to the law of cause and effect, would sooner or later involve the victors in a like catastrophe.

The very idea of reparations and the way in which they were enforced will always remain a classic example in the history of the nations of how seriously international welfare can be damaged by hasty and unconsidered action.

As a matter of fact, the policy of reparations could only lead to the following results:

If Germany was expected to pay in cash she would be compelled to develop an abnormal export trade, for these enormous perpetual expenses could only be paid out of perpetual profits. That could only mean that the world was making use of German business as an international exporting concern of which, however, the profits, regarded as reparation payments, were far out of proportion to the damage which would be done to the individual national economic systems of the creditor lands whose own exports would thus be seriously threatened.

The attempt to prevent such a development by compensating for a limitation of German exports by means of the grant of credits in order to render payments possible was no less short-sighted and mistaken in the end. For the conversion of political debts into private obligations led to an interest service which was bound to have the same results. The worst feature, however, was that the development of internal economic life was artificially hindered by this compulsion to export at any price, so that all such attempts were finally given up. The struggle to gain the world markets by constant underselling led to excessive rationalization measures in the economic field, which caused the most disastrous crisis of modern times by the gradual glutting of the market. The millions of German unemployed are the final result of this rash course of action. If it was desired, however, to restrict reparation obligations to deliveries in kind, this must naturally cause equally serious damage to the internal production of the nations receiving them. For deliveries in kind to the amount of those astronomic milliards required for reparation

payments are unthinkable without seriously endangering the production of the individual nations.

The Treaty of Versailles is to blame for having inaugurated a period in which financial calculations appear to destroy economic reason.

Germany has faithfully fulfilled the obligations imposed upon her in spite of their intrinsic lack of reason and the obviously suicidal consequences of this fulfilment. The international economic crisis is the indisputable proof of the correctness of this statement. The problem of restoring a general international legal sentiment has also been no less misunderstood by the Treaty of Versailles. For, in order to justify all the measures of this edict, Germany had to be branded as the guilty party, in violation of the most sacred convictions of the German people and their rulers. This was a procedure which—setting an example for the future and in its application to the past—once for all and in the simplest manner possible throws light upon the cause of human conflicts and wars: The vanquished party is the guilty party because the victor, thanks to his victory, can always establish this fact by means of introducing it into the preamble of a treaty of peace.

This procedure was, therefore, of terrible significance, because it gave at the same time an excuse for the conversion of the power ratio existing at the end of the War into a permanent legal status. The conception of conqueror and conquered thus literally became the foundation of a new international legal and social order.

The degradation of a great people to a second-class nation was proclaimed at the same moment as a League of Nations came into being.

This treatment of Germany could not lead to the pacification of the world. The disarmed state and defencelessness of the conquered parties which was considered necessary—a procedure unheard of in the history of the European nations—was still less calculated to diminish the general dangers and causes of conflict, but merely led to that position of constant menaces, demands and sanctions which, by the unrest and insecurity which they give rise to, threaten to undermine the entire economic structure of the world.

If no consideration is given by the nations to the danger of certain actions, reason may easily be overcome by unreason. At any rate, up to the present, the League of Nations has been unable to grant any appreciable assistance to the weak and unarmed in such cases.

Treaties concluded for the mutual pacification of the nations only possess an inner meaning when they are based on real and honest equality of rights for all.

This is the main reason for the dangers which have dominated the world for a number of years; it is, however, in the interests of all that present-day problems should be solved in a reasonable and final manner.

No new European war could improve the unsatisfactory conditions of the present day. On the contrary, the application of violence of any kind in Europe could have no favourable effect upon the political or economic position which exists to-day. Even if a fresh European act of violence had a decisive result, the ultimate effect would be to increase the disturbance of European equilibrium and thus, in one manner or another, to sow the seed of further conflicts and complications. The result would be fresh wars, fresh sacrifices, fresh uncertainty, and fresh economic distress. The outbreak of such infinite madness, however, would necessarily cause the collapse of the present social and political order. A Europe sinking into communistic chaos would bring about a crisis the extent and duration of which could not be foreseen.

It is the earnest desire of the National Government of the German Reich to prevent such a disturbing development by means of its honest and active co-operation.

This is also the inner meaning of the revolution which has taken place in Germany; the following three aims of our revolution are in no way opposed to the interests of the rest of the world:

- (1) To prevent the threatened Communist revolution, and to build up a national state which should unite the interests of the different classes and maintain the idea of property as the basis of our culture.
- (2) To solve the most difficult of social problems by bringing back the millions of our unfortunate unemployed into productive work.
- (3) To re-establish a stable and authoritative Government, supported by the will and confidence of the nation, which shall make our great people an acceptable partner of the other States of the world.

Speaking deliberately as a German National Socialist, I desire to declare in the name of the National Government, and of the whole movement of national regeneration, that we of this young German movement are filled with deep understanding for the same feelings and opinions and for the rightful claims to life of the other nations. The present generation in Germany, which so far has only known in its life the poverty, misery and distress of its own people, has suffered too deeply from the madness of our time to be able to contemplate treating others in the same way. Our National Socialism is a principle which imposes general obligations on us in our conception of world

affairs. Our boundless love for and loyalty to our own national traditions make us understand the national rights of others, and make us desire from the bottom of our hearts to live with them in peace and friendship. We, therefore, have no use for the idea of Germanization. The mentality of the past century which made our rulers believe that they could make Germans out of Poles and Frenchmen is completely foreign to us ; the more so as we are passionately opposed to any attempt on the part of others to alienate us from our German tradition.

We look at the European nations objectively. The French, the Poles, not to mention others, are our neighbours, and we know that through no possible development of history can this reality be altered. It would have been better for the world if these realities had been appreciated in Germany's case in the Treaty of Versailles. For the task of a really lasting treaty should be not to cause new wounds and keep old ones open, but to close wounds and heal them. A thoughtful treatment of European problems at that time could certainly have found a settlement in the East which would have met both the reasonable claims of Poland and the natural rights of Germany.

The Treaty of Versailles did not provide this solution.

Nevertheless, no German Government will of its own accord break an agreement which cannot be removed without being replaced by a better one. But the legal character of such a Treaty must be acknowledged by all. Not only the conqueror but also the conquered party can claim the rights accorded in the Treaty. And the right to demand a revision of this Treaty finds its foundation in the Treaty itself. The German Government, in stating the reasons for and the extent of its claims, desires nothing more than is indicated by the existing results of previous experience and the incontestable consequences of critical and logical reasoning. The experience of the last fourteen years is unambiguous from a political and economic point of view. The misery of the nations was not relieved but has increased. The deepest roots of this misery, however, lie in the division of the world into conquerors and conquered, which seems to be intended to form a permanent basis of all treaties and all future order. The worst effect of this classification lies in the compulsory defencelessness of one nation as against the excessive armaments of the others. If Germany has continued for years to demand the disarmament of all it is for the following reasons:

(1) The demand for equality of rights expressed in actual facts is a demand of morality, right and reason ; it is a demand which is recognized in the Peace Treaty itself, and the fulfilment of which

is indissolubly bound up with the demand for German disarmament as the prelude to world disarmament.

(2) On the other hand, the disqualification of a great people cannot be permanently maintained, but must at some time be brought to an end. How long is it thought possible that such an injustice can be imposed on a great nation? What is the advantage of a moment as compared with the permanent development of centuries? The German nation will continue to exist exactly in the same way as the French nation and, as history has proved, the Polish nation. Of what value is the temporary oppression of a nation of 65 millions as compared with the force of this incontrovertible fact? No State can possess a greater understanding for the young, newly created European national States and their vital requirements than the Germany which has arisen out of the national revolution which was inspired by the same impulses. Germany wants nothing for herself which she is not prepared to give to others.

Germany, in demanding at present actual equality of rights as regards disarmament of other nations, has a moral right to do so since she has herself carried out the provisions of the treaties. Germany has disarmed and has carried out this disarmament under the strictest international supervision.

Six million rifles and carbines were handed over or destroyed; 130,000 machine-guns, 243,000 machine-gun barrels, 91,000 guns, trench mortars and gun barrels, 28,000 gun-carriages, 59 tanks, 38,750,000 projectiles, 490 million rounds of small arms ammunition, 37 million kilograms of powder were destroyed. Barracks and industrial works were torn down, entraining platforms demolished. The Rhineland was demilitarized, the German fortifications dismantled, and the fortresses blown up; our ships surrendered, our aeroplanes destroyed, our coastal defences demolished, our system of military service abandoned, and the training of reserves thus prevented. Even the indispensable weapons of defence were denied to the small professional army left to us.

If any one attempts in the face of these monstrous and indisputable facts to declare with truly wretched excuses that Germany has not fulfilled the treaties or has even rearmed, I must repudiate such an opinion which is as untrue as it is unfair. Equally untrue are the statements that Germany has not complied with the provisions of the Treaty in respect of personnel. The statement that the S.A. and S.S. of the National Socialist Party are connected in any way with the Reichswehr, in the sense that they represent formations with military training or army reserves, is untrue. The irresponsible

frivolity with which such assertions are made may be seen from the following example.

Last year there was a case before the Courts in Brünn against members of the National Socialist Party in Czechoslovakia. Military experts of the Czechoslovak army declared on oath that the defendants were in contact with the German National Socialist Party, that they were dependent on it, and that as members of the Popular Sports Association they were to be reckoned as equal to members of the Storm Sections and Storm Troops in Germany who formed a reserve army organized and trained by the German Reichswehr. In reality, however, neither the Storm Sections and Storm Troops nor the National Socialist Party itself had any connexion at all with the Reichswehr. On the contrary, they were persecuted, prohibited and finally suppressed as organizations dangerous to the State. Indeed, members of the National Socialist Party, of the Storm Sections and Storm Troops were not only excluded from all official positions in the State, but might not even be employed as workmen in works connected with the army. But the National Socialists in Czechoslovakia were condemned to a long term of hard labour on the strength of this false accusation.

In actual fact, the Storm Sections and Storm Troops of the National Socialist Party came into being without any help or financial support from the State, from the Government or from the Army; without any military training or equipment, but purely out of the political needs and considerations of the times. Their object was and is exclusively the removal of the Communist danger, their development took place without any connexion with the Army, purely for purposes of propaganda and education, psychological mass effect and the breaking down of the Communist terror. They form an institution for creating a true community spirit for overcoming former class differences and for removing economic distress.

The Stahlhelm arose out of memories of the great period of common experiences at the front, in order to keep alive the tradition of true comradeship, and lastly to protect the German people against the danger of a Communist revolution which had been threatening since November 1918; this is a danger which cannot be estimated by countries which have not, like us, millions of organized Communists and have not like Germany suffered from their terrorism. The real object of this national organization is best characterized by the actual nature of its struggle and by its sacrifices. As a result of Communist murderous assaults and acts of terrorism in recent years the S.A. and S.S. have lost 350 killed and about 40,000 wounded.

If attempts are now made at Geneva to include these organizations, which serve exclusively internal purposes, in military effectives, there would be an equally good reason for including the fire brigade, the athletic associations, the watch and ward companies, rowing clubs and Sports Associations, and others in the military forces. When, however, at the same time the trained annual contingents of the other armies of the world, in contradistinction to these men who are entirely without military training, are not included, when the armed reserves of other countries are deliberately overlooked while the unarmed members of the political associations are in our case included, this constitutes a procedure against which I must categorically protest. If the world wishes to destroy confidence in right and justice, these are the best means for the purpose.

On behalf of the German people and the German Government I have to make the following statement:

Germany has disarmed. She has complied with all obligations imposed upon her in the Peace Treaty to an extent far beyond the limits of equity and reason. Her army consists of 100,000 men. The strength and the character of her police are internationally regulated. The auxiliary police established in the days of the revolution have an exclusively political character. In the critical days of the revolution they had to replace that part of the regular police force which was considered by the new régime to be unreliable, and after the success of the revolution they are already being reduced and will be completely disbanded before the end of the year.

Germany has thus a fully justified moral claim to the fulfilment by the fully armed Powers of their obligations under the Treaty of Versailles.

The equality of status accorded to Germany in December has not yet been given practical expression. With regard to the renewed French contention that the safety of France must be secured to the same extent as the equality of Germany, I would like to ask two questions:

(1) Germany has so far accepted all the obligations of security arising from the signing of the Versailles Treaty, the adherence to the League of Nations, to the Locarno Pact, the Kellogg Pact, the Treaties of Arbitration, the Pact of Non-Aggression, &c. What other concrete assurances are left for Germany to give?

(2) On the other hand, how much security has Germany? According to the figures published by the League, France alone has 3,046 aeroplanes in service, Belgium 350, Poland 700, Czechoslovakia 670. In addition to this there are innumerable reserve aeroplanes,

thousands of tanks, thousands of heavy guns, and all the necessary technical equipment for chemical warfare. Has not Germany, in her state of defencelessness and disarmament, greater justification in demanding security than the over-armed States bound together in military alliances?

Nevertheless, Germany is at any time willing to undertake further obligations of international security if all the other nations are ready on their side to do the same, and if this security is also to benefit Germany.

Germany would also be perfectly ready to disband her entire military establishment and destroy the small amount of arms remaining to her, if the neighbouring countries will do the same thing with equal thoroughness. But if these countries are not willing to carry out the disarmament measures to which they are also bound by the Treaty of Versailles, Germany must at least maintain her demand for equality.

The German Government sees in the British Plan a possible basis for the solution of this question, but it must demand that the defence force existing in Germany shall not be abolished unless at least qualitative equality be accorded to Germany. She must further demand that any change in her present defence force organization, which was not chosen by her but imposed on her from abroad, shall follow step by step in the same degree as the actual disarmament of the other States. Germany agrees in principle to a transitional period of five years during which to build up her national security, in the expectation that at the end of this period she will really be put on a footing of equality with the other States. She is also entirely ready to renounce all aggressive weapons of every sort if the armed nations, on their side, will destroy their aggressive weapons within a specified period, and if their use is forbidden by an international convention. Germany has only one desire, to be able to preserve her independence and defend her frontiers.

According to a statement made by the French Minister of War in February 1932, the French colonial troops, a large number of whom are coloured, would be immediately used on the French mainland. He thus expressly includes them in the forces of the home country. It is, therefore, only just that these forces should be taken into consideration in any solution of this question. It is contrary to all principles of justice not to include fully trained reserves during their term of leave but to include, in the case of Germany, police who have no other arms or training but what their calling requires. But it is out of the question to include in the German effectives associations

and organizations which merely serve educational and sporting purposes and enjoy no military training whatever, but to overlook them completely in the other countries. Germany would at any time be prepared, in the event of a mutual international supervision of armaments and of equal readiness on the part of the other States, to subject these associations to such supervision in order to prove beyond doubt to the whole world that they are of an entirely unmilitary character.

Moreover, the German Government will not reject any prohibition of arms as being too drastic if it is applied in the same manner to all other States. As long as armaments are allowed to other powers Germany cannot be permanently deprived of all weapons of defence. We are fully prepared only to make use of an equal status to an extent to be settled by negotiation.

These demands do not imply rearmament but only a desire for the disarmament of the other States.

In this connexion I again welcome on behalf of the German Government the far-sighted and reasonable plan of the head of the Italian Government to create, by means of a special pact, close relations of confidence and co-operation between the four great European Powers, the United Kingdom, France, Italy and Germany. The German Government is in whole-hearted agreement with Mussolini's view that this would pave the way to a permanent agreement, and will show the greatest goodwill, provided the other nations are prepared really to overcome any difficulties which may arise.

The proposal made by President Roosevelt of which I learned last night has therefore earned the warmest thanks of the German Government. They are prepared to agree to this method of overcoming the international crisis, for they are also of the opinion that no permanent economic reconstruction is possible unless the disarmament question is solved. They are prepared to take part unselfishly in this work of bringing order into the political and economic conditions of the world. As I stated at the outset, they are also convinced that there is to-day only one great task: to safeguard the peace of the world. They also recognize without hesitation the justice of the reasons which, among others, account for present-day armaments. I am obliged to state that the reason for the present armaments of France or Poland can under no circumstances be the fear of German invasion of those nations, for such fear would be only justified by the possession by Germany of modern offensive weapons which are considerably more effective than modern defensive weapons. Germany, however, does not possess such modern offensive weapons

at all; she has neither heavy artillery nor tanks nor bombing aeroplanes nor poisonous gases. The only nation therefore which might justifiably fear invasion is the German nation, which not only may not possess offensive weapons, but is also restricted in its right to defensive weapons and is even forbidden to erect frontier fortifications. Germany is at all times prepared to renounce offensive weapons if the rest of the world does the same. Germany is prepared to agree to any solemn pact of non-aggression because she does not think of attacking but only of acquiring security. She would welcome the possibility suggested in President Roosevelt's magnanimous proposal of bringing the United States into European relations as a guarantor of peace. The President's proposal denotes a great pacification for all who wish to co-operate in the maintenance of honest peace. We have no more earnest desire than to contribute to the final healing of the wounds caused by the War and the Treaty of Versailles. Germany does not wish to take any other path than that recognized as justified by the Treaties themselves. The German Government wishes to come to a peaceful agreement with other nations on all difficult questions. They know that in any military action in Europe, even if completely successful, the sacrifice would be out of all proportion to any possible gains.

The German Government and the German people will under no circumstances allow themselves to be forced to sign what would mean a perpetuation of the degradation of Germany. The attempt to work on Government and people by threats will make no impression.

It is conceivable that Germany might be violated in defiance of justice and morality, but it is inconceivable and out of the question that such an act should be given legal validity by our own signature.

The attempt has been made in newspaper articles and in regrettable speeches to threaten Germany with sanctions, but such a monstrous step would only be our punishment for having pressed for the carrying out of the Treaties by our demand for disarmament. Such a measure could only lead to the definite moral and effective invalidation of the Treaties. Germany, however, even in this case, would never renounce her peaceful claims. The political and economic consequences, the chaos which such an attempt would bring on Europe, would be the responsibility of those who used such means against a people which is doing the world no harm.

Any such attempt or any attempt to do violence to Germany by means of a simple majority vote contrary to the clear meaning of the Treaties could only be dictated by the intention of excluding us from the conferences. The German people, however, to-day possesses

sufficient character in such a case not to impose its co-operation on other nations but, though with a heavy heart, to draw the only possible consequence. It would be difficult for us as a constantly defamed nation to continue to belong to the League of Nations.

The German Government and the German nation are only too fully aware of the crisis of the present time. For many years Germany has given warnings regarding the methods which would and did inevitably lead to these political and economic results. If the present direction and the present methods are continued there can be no doubt as to the ultimate result. After apparent political successes of individual nations, the resultant economic and political disasters for all will be all the more severe. We regard it as our first and most important task to avoid these results. Hitherto no effective measures have been taken. When we are told by the rest of the world that certain sympathies were formerly felt for Germany, we have at any rate experienced the results and effects of these 'sympathies' in Germany. Since the Peace Treaty of Versailles, the German people has been in the grip of a political and economic misery the extent of which cannot be imagined by the rest of the world. Millions of destroyed existences, the ruin of entire professions, and an enormous army of unemployed—all these facts constitute a state of wretchedness the extent of which I should like to impress on the rest of the world by a single figure: since the signature of this Treaty, which was to form the foundation-stone of a new and better world for all nations, 224,900 people, men, women, old people and children, have taken their own lives, almost exclusively out of distress and misery. These unbribable witnesses bring an accusation against the spirit and fulfilment of a Treaty, from which not only the rest of the world but also millions of people in Germany awaited salvation and peace.

May the other nations realize the resolute will of Germany to put an end to a period of blundering and to find the way to a final understanding between all on the basis of equal rights.

(v) *Statement by Hon. Norman H. Davis, May 22, 1933.*¹

The initiative taken by the President of the United States in communicating directly with the heads of States participating in the Economic and Disarmament Conferences was prompted by the pressing need for concerted and decisive action to solve the interrelated problems with which these two conferences must deal.

¹ Before the General Commission of the Disarmament Conference. U.S. State Department Press Releases, No. 191, May 27, 1933.

The Disarmament Conference has reached the moment for definite decisions. We must face the issue; we must now determine whether the nations of the world propose to go forward with progressive disarmament or revert to the pre-war system of unrestrained competition in armaments, with all the continuance of the international suspicion and fear which this will involve.

At the end of the World War the peoples of all States and their leaders resolved that the suicidal armament policy of the preceding decades must be changed. They were convinced that this policy had been one of the contributing factors which brought about the war. Hence a new policy regarding armaments was incorporated as a fundamental part of the peace settlement. This policy, adopted to prevent a future race in armaments, was based on the principle that armaments are a matter of general concern and that the time had passed when each State should be the sole judge of its armaments.

To carry out this conception, provision was made for the disarmament of the defeated Powers, and at the same time a decision was taken, unprecedented in history, whereby the victorious States voluntarily assumed an obligation to reduce their own armaments.

As a first step, the peace treaties reduced the armaments of Germany and her allies with a view to rendering impossible any aggression on their part. In fact, the theory behind these treaties was that the military forces of the disarmed Powers should be fixed on the basis of the maintenance of internal order and the necessary policing of frontiers, but no more. The whole purpose of these provisions was to guarantee that the armies of Germany and her former allies should thenceforth stay at home.

It would neither have been just nor wise, nor was it intended, that the Central Powers should be subject for all time to a special treatment in armaments. There is and has been a corresponding duty on the part of the other Powers, parties to peace treaties, that by successive stages they too would bring their armaments down to a level strictly determined by the needs of self-defence. While the United States is not bound by the provisions or the implications of those treaties, I have no hesitancy in saying that it is the will of our people, interpreted by President Roosevelt, to join with the other powers in disarming down to that level, and we are prepared to exert our influence to bring this about, not by theoretical statements of good intentions but by decisive and progressive reduction of armaments through international agreement.

The present situation admits of no further delay. The States of the world must either go forward in good faith to carry out in all its

implications the disarmament policy which they adopted in 1919, or we must recognize frankly that this policy has been abandoned and reconcile ourselves to reverting to a race in competitive armament. If the latter course is taken, the consequences are inevitable. Sooner or later there will be the break-down of the peace machinery which has been so laboriously built up since 1918, and the world will be swept into another war.

The immediate result of a failure here would be a set-back to economic recovery, which depends upon such mutual confidence between nations as will permit a real collaboration in the task of restoring international trade and the freer movement of goods. This is impossible in a situation clouded by the fear of war. National budgets which should be devoted to productive and social ends are burdened with excessive and wasteful expenditures for armament. This leads in turn to an almost unbearable load of taxation on all our peoples.

If we thus candidly face the situation, there is really no alternative for a sane world to consider. It is inconceivable that the responsible leaders of any country in the world could hesitate over this issue. We cannot shirk the duty which this choice imposes upon us. We cannot safely delay taking effective steps to reduce armaments to a purely defensive basis.

As far as the position of the United States is concerned, we are frank to recognize that we have a simpler problem to meet than have many of the European Powers. Fears and apprehensions based on historical and racial grounds have led to the maintenance of large armaments in Europe. These large armaments have caused resentment, particularly in the less-armed countries. The resulting political tension has in turn reacted to keep up the general level of armaments. We are not unaware of the difficulties which lie in the way of reduction in armaments here. It is our very detachment from this situation which gives us hope that we may exert a helpful influence towards the realization of our common objective. But we are prepared to aid in other ways than through exerting our influence, and I shall take this opportunity to show what we are prepared to do.

As regards the level of armaments, we are prepared to go as far as the other states in the way of reduction. We feel that the ultimate objective should be to reduce armaments approximately to the level established by the peace treaties; that is, to bring armaments as soon as possible through successive stages down to the basis of a domestic police force.

In particular, as emphasized by President Roosevelt, we are

prepared to join other nations in abolishing weapons of an aggressive character, which not only are the more costly to construct and maintain but at present are those most likely to lead to a breach of the peace. To cut the power of offence and remove the threat of surprise attack would do more than anything else to lessen the danger of a war. Almost a year ago the American Government submitted a proposal along these lines. This proposal, which received the approval of a large number of States, was not acceptable to certain States and was, therefore, not adopted. A few weeks ago the British Prime Minister submitted a detailed proposal which embodies many of the features of the American plan of last year. As the British proposal represents a real measure of disarmament, we accept it whole-heartedly as a definite and excellent step towards the ultimate objective. We, therefore, are prepared to give our full support to the adoption of this plan.

In addition I wish to make it clear that we are ready not only to do our part towards the substantive reduction of armaments but, if this is effected by general international agreement, we are also prepared to contribute in other ways to the organization of peace. In particular, we are willing to consult the other States in case of a threat to peace, with a view to averting conflict. Further than that, in the event that the States, in conference, determine that a State has been guilty of a breach of the peace in violation of its international obligations and take measures against the violator, then, if we concur in the judgement rendered as to the responsible and guilty party, we will refrain from any action tending to defeat such collective effort which these States may thus make to restore peace.

Finally, we believe that a system of adequate supervision should be formulated to ensure the effective and faithful carrying out of any measure of disarmament. We are prepared to assist in this formulation and to participate in this supervision. We are heartily in sympathy with the idea that means of effective, automatic, and continuous supervision should be found, whereby nations will be able to rest assured that, as long as they respect their obligations with regard to armaments, the corresponding obligations of their neighbours will be carried out in the same scrupulous manner.

The Disarmament Conference has already formulated measures for the establishing of a permanent disarmament commission. The powers now proposed for this commission may well be reinforced. The commission will have many important duties, but none more essential than that of effectively supervising the fulfilment of the treaty.

We recognize that the ultimate objective in disarmament must be

countries during the crop year August 1, 1933, to July 31, 1934, shall be adjusted, taking into consideration the exports of other countries, by the acceptance of export maxima fixed on the assumption that world import demand for wheat will amount during this period to 560,000,000 bushels.

Article 2

They further agree to limit their exports of wheat during the crop year August 1, 1934, to July 31, 1935, to maximum figures 15 per cent. less in the case of each country than the average out-turn on the average acreage sown during this period 1931-3 inclusive after deducting normal domestic requirements. The difference between the effective world demand for wheat in the crop year 1934-5, and the quantity of new wheat from the 1934 crop available for export, will be shared between Canada and the United States of America as a supplementary export allocation, with a view to the proportionate reduction of their respective carry-overs.

Article 3

The Governments of Bulgaria, Hungary, Roumania, and Yugoslavia agree that their combined exports of wheat during the crop year August 1, 1933, to July 31, 1934, will not exceed 50,000,000 bushels. This undertaking is made on the understanding that the aggregate may be increased to a maximum of 54,000,000 bushels if the Danubian countries find that such a supplementary quota is required for the movement of the exportable surplus of the 1933 crop.

Article 4

They further agree that their combined exports of wheat during the crop year 1934-5 will not exceed a total of 50,000,000 bushels, and recognize that the acceptance of this export allocation will not allow of an extension of the acreage sown to wheat.

Article 5

The Government of the Union of Socialist Soviet Republics, while unable to give any undertaking in regard to production of wheat, agree to limit their exports for the crop year 1933-4 to a figure which will be arrived at upon the completion of negotiations with the Governments of the overseas wheat-exporting countries. They also agree that the question of their export of wheat during the crop year 1934-5 shall be the subject of further negotiations with the wheat-exporting countries represented upon the Advisory Committee.

A few days ago the Conference met a serious obstacle to further progress in its detailed examination of the British plan. Since then there has been an appreciable change. The recent speech by the German Chancellor before the Reichstag, clarifying the German attitude and policy with regard to disarmament and endorsing the proposal of President Roosevelt, has been most helpful. This, and also the subsequent announcement made here by our colleague, Herr Nadolny, of Germany's acceptance of the British plan as the basis of the future convention, have so altered the situation as to justify us in assuming that we can now resume our consideration of this plan with real hope of agreement. Our present agenda is a consideration of the chapters on war material. It was understood that other related subjects might be introduced, and my colleagues may feel that I have made wide use of the latitude thus given me. But in closing my remarks, and to bring our discussion back to the concrete question before us, I desire to state that the American delegation accepts the chapter on material, and expresses the hope that the other delegations will join in this acceptance and that the way may thus be cleared for an immediate decision on the concrete proposals in this chapter.

This conference is not only a disarmament conference. It is an emergency conference of a world in a state of political uncertainty and economic depression. The next weeks will bring the decisive test. It will require courage and statesmanship to meet this test, but the failure to do so will go far to shatter any hope of world organization for peace. As far as the United States is concerned, our abilities and our incentive to collaborate whole-heartedly in the continuing task of helping to maintain world peace depend in large measure upon the results achieved here in disarmament. President Roosevelt's message is a clear indication of the fact that the United States will exert its full power and influence and accept its just share of responsibility to make the results in disarmament definite, prompt, and effective.

The results of success here and now would bring benefits beyond all calculation. It would give new confidence and hope—confidence that governments can still govern and leaders lead; hope that, a definite step in disarmament having at last been taken, economic recovery will be hastened and the millions in all countries who are only asking for the opportunity to work will have restored to them the possibility of living in peace and of earning their daily bread. If by a great act of faith each and every nation will now summon the courage to take a decisive step in general disarmament, conditions throughout

the world will so improve that we can henceforth face the future with a real feeling of security and confidence. With the alternative to success in mind, we cannot allow ourselves to fail.

(vi) *Statement by the Rt. Hon. Sir John Simon, May 24, 1933.*¹

Sir John Simon (United Kingdom) said that, after the declaration made by Mr. Norman Davis on behalf of the United States Government a few days ago,² all delegations had felt greatly encouraged to try to put Part I of the draft Convention into the best possible form. It had been evident that Part I would have to be to some extent recast in the light of what Mr. Norman Davis had been authorized to say as to the new contribution which the United States of America would be prepared to make in certain eventualities. Consequently, it had fallen to Sir John Simon's lot, as representing the Government which had put forward the draft Convention, to consider what would be the changes in Part I which this new situation required, and the President had announced that Sir John Simon had undertaken to do his best in the matter. He had done his best, with the assistance of very valued colleagues, and he had been able to consult some of the other delegations.

The articles he was putting forward at the moment were tentative, and, as the President had said, came before the Commission only for a first reading.

He desired briefly to explain the nature of the new document, which contained three articles,³ and how it might, he hoped, be found to meet the new and encouraging situation which had arisen from the declaration of Mr. Norman Davis.

He would first make clear that, whereas Part I of the draft Convention consisted of six articles, the present proposal dealt with the first five only—that was to say, Article 6, which treated of special regional agreements, stood.

The scheme of the new draft was as follows. Whereas the old draft would have bound all the contracting parties to agree in advance to meet at the request of any five of them, the new draft dealt with the situation in which the Conference now found itself by substituting for this the provision in the new Article I, which was in the nature of an invitation or proposal to meet and not in the form of an undertaking to meet.

¹ Minutes of the General Commission of the Disarmament Conference. League Document 1933, ix, 10, pp. 494–5.

² See above, p. 208.

³ These new articles are those printed in the text of the British Draft Convention on pp. 151–2 above.

Everybody appreciated that what the Conference was at present trying to devise was what had been called the outermost circle of security, that embracing the whole world. For that purpose, the new draft proposed that, in the event of a breach or of a threat of a breach of the Pact of Paris, an invitation to meet in consultation might issue either from the body representing the Members of the League to non-members, or from non-members to the organs of the League itself. It would then rest with the invited party to consider whether or not it would accept the invitation; and Sir John Simon recalled with very great pleasure the following declaration which Mr. Norman Davis had made in his speech:

‘In particular, it was willing to consult with other States in case of a threat to peace with a view to averting conflict.’

It might, Sir John Simon thought, be assumed that, in appropriate cases, the invitation to meet in consultation might well be accepted, and provision would thus have been made for the method of consultation to which Mr. Norman Davis had referred.

Article 2 of the new draft declared what would be the object of the consultation if it took place, and the Commission would notice that the United Kingdom delegation had thought it convenient to state three cases. In doing so, the United Kingdom delegation had in mind the explanation so clearly given by the United States delegation the other day, in which there was the assurance that ‘if the United States Government concurred in the judgement rendered as to the responsible and guilty party, it would refrain from any action tending to defeat such collective effort which the States might thus make to restore peace’. There was manifestly an effort in that eventuality to modify the strict regard for the law of neutrality, the importance of which everybody recognized and in respect of which the United Kingdom Government tendered its best thanks to the United States of America.

Article 3 was new. It applied only to Members of the League, and made quite clear that nothing proposed in Part I of the draft in the least qualified their obligations under the Covenant. Those obligations stood as they had been before.

Sir John Simon would like briefly to summarize what he hoped would be the effect of this new proposition. It was put forward in order that Part I in its new shape might provide a suitable foundation for any subsequent co-operation between Members and non-members of the League. He trusted it might be found to be in a form which would not run contrary to Mr. Norman Davis’s declaration,

and he would venture the speculation that in fact it did not run contrary to what Mr. Norman Davis had indicated. Sir John Simon understood that what the United States Government contemplated in respect of Part I in place of the ordinary signature was a unilateral declaration along the lines which the United States delegate had indicated, and Sir John Simon had drafted his new articles in the hope and with the purpose that they should go along the same line as that proposed in the United States declaration.

There was one other matter which was quite independent. A criticism had been addressed to the articles in Part I of the original United Kingdom draft to the effect that their object might be very good, but that they involved a duplication of machinery. There was a machinery, which every one understood, in the Covenant requiring the Council to act in unanimity, but, at the same time, giving to a single Member of the League of Nations the right to put the machinery in motion. It had been said that the United Kingdom draft appeared to set up, side by side with that, a complicated and rival machinery which talked about the necessity of the consent of five Powers, and so on. Speaking for himself, Sir John Simon had felt the force of that criticism, and one of the advantages, as it appeared to him, of the new draft was that it avoided that criticism, because it relied upon the machinery and rules of the Council or Assembly, as the case might be, and therefore there was no duplication of machinery involved.

As the President had said, the Commission was engaged at present merely upon the first reading of the new articles. Sir John Simon could well believe that they would need close examination from various points of view, but on one thing he was most anxious to be reassured. He would indeed be glad if it were considered that, with the help of its friends in different quarters, the United Kingdom delegation had succeeded in putting forward a proposal in respect of Part I, 'Security', which followed lines that would enable that co-operation to be given which the United States of America had been good enough to indicate two days previously.

(vii) *Statement by Hon. Norman H. Davis, May 24, 1933.*¹

Mr. Norman Davis (United States of America) said that, although he had not had time to give full consideration to the revised text which Sir John Simon had submitted to the General Commission, his impression was that the United Kingdom delegation had done an

¹ Minutes of the General Commission of the Disarmament Conference, Vol. II. League Document, 1933, ix. 10, pp. 495-6.

excellent piece of work and, so far as Mr. Norman Davis could see, the machinery and the provisions for consultation were in harmony with the declaration he had made with regard to the position of the United States of America. He hoped, therefore, that this new draft might facilitate an immediate, or very early, conclusion of this part of the Conference's work. It might be helpful, however, at the present juncture for him to state how the United States Government would relate its action to this particular part of the Convention.

As the delegates were aware, the United States Government proposed to set forth its policy in the matter of consultation and neutral rights by unilateral declaration. As an illustration, and without committing himself at the moment to the exact words, this declaration would be in some such form as the following—that was to say, assuming that the form which Sir John Simon had drafted was accepted by the General Commission:

‘Recognizing that any breach or threat of breach of the Pact of Paris (the Briand-Kellogg Pact) is a matter of concern to all the signatories thereto, the Government of the United States of America declares that, in the event of a breach or threat of breach of this Pact, it will be prepared to confer with a view to the maintenance of peace in the event that consultation for such purpose is arranged pursuant to Articles . . . and . . . of Part I of the Disarmament Convention. In the event that a decision is taken by a conference of the Powers in consultation in determining the aggressor, with which, on the basis of its independent judgement, the Government of the United States agreed, the Government of the United States will undertake to refrain from any action and to withhold protection from its citizens if engaged in activities which would tend to defeat the collective effort which the States in consultation might have decided upon against the aggressor.’

This declaration would be drafted in final form previous to signature of the Disarmament Convention, and would be made at the time of the United States' deposit of ratification of that Convention.

2. SECURITY¹

By the time the Disarmament Conference met for its second session in February, 1933, it had become apparent that no progress could be made without further exploration on parallel lines as to what might be done to provide that greater degree of security, without which disarmament would be impossible. Both the Soviet and the Belgian Governments produced

¹ See *Survey* for 1933, Part II (ii).

contributions to the study of security: the first a proposal for the definition of an aggressor, and the second for the establishment of the fact of aggression.

The Political Committee at its Meeting on March 10 set up a special Sub-committee on Security Questions, to which these two proposals were referred, and also, in due course, the security provisions contained in Article 6 of the British Draft Convention. This Sub-committee, under the chairmanship of the indefatigable M. Politis, completed its consideration of these questions after some three months' discussion, and on May 24 presented its Report.¹ It was found that from the material placed before it the Sub-committee had evolved a formula which should facilitate the definition of aggression, and this was provisionally included in Part I of the British Draft Convention and adopted at the first reading.

The Government of the Soviet Union, however, from whom the suggestion for defining aggression had originally emanated, was not content to allow the results of the Politis Report to await the somewhat problematic signing of a general Disarmament Convention before putting them into practice. Accordingly, in the course of the London Economic Conference M. Litvinov signed, on July 3, 4, and 5, a series of Conventions² with the Baltic States, with Poland, Turkey, Persia, Afghanistan, and the Little Entente, in which the Politis definition was embodied. This was in complete accordance with the system of Treaties of Neutrality and Non-Aggression which had been initiated by the Soviet Government as early as 1925,³ and to which additions had recently been made in the form of Treaties with France in November, 1932, and with Italy in September, 1933.⁴

(i) *Extracts from the Report of the Committee on Security Questions, May 24, 1933.*⁵

The Committee originally set up by the Political Commission on March 10, 1933, for the examination of the Soviet delegation's proposal on the definition of the aggressor (Document Conf. D/C.G./38) and of the Belgian delegation's proposal on the establishment of the fact of aggression (Document Conf. D/C.P./12), was in addition requested by the General Commission on April 28, 1933, to deal also with Article 6 of the Draft Convention submitted by the United Kingdom. . . .

As regards the first two subjects, the Committee has drawn up the attached Acts, the structure of which is explained in the present report (Parts I and II).

¹ See above.

² See below, p. 230.

³ See *Documents* for 1928, pp. 198-200. Also *Disarmament and Security since Locarno*, by John W. Wheeler-Bennett, Allen & Unwin, 1932, pp. 312-32.

⁴ See below, p. 233.

⁵ To the General Commission of the Disarmament Conference. *Rapporteur*: M. N. Politis. League Documents. Conf. D/C.G./108 and 108 a.

As regards the third subject, certain delegations (Germany, Hungary, Italy) confined themselves to following the Committee's work as observers. It was understood, moreover, that the draft European Pact prepared by the Committee does not bind the Governments in any way and is submitted to the General Commission as a basis of discussion.

The texts prepared regarding the establishment of the fact of aggression (Part II) and the European Security Pact (Part III) are intended to constitute Annexes X and Y referred to in Article 6 of the British Draft Convention.¹

The Committee accordingly drew up a new text which would constitute Article 6 of the said draft and would refer to these annexes, explaining their connexion with the General Convention for the Reduction and Limitation of Armaments (Part IV).²

PART I

DEFINITION OF AGGRESSOR

The present Act (Annex I),³ conceived on the universal plane, aims at determining acts of aggression in a definite, practical, and direct manner.

In the opinion of its supporters, this method would constitute the foundation of any system of security envisaged by the Disarmament Conference by putting an end to doubts and controversies on the point whether States which resort to force have committed an aggression or not. States would thus be definitely informed in advance of what they could not do without being regarded as aggressors. Even in the absence of any intervention by an international organ, such a determination would be of some value. It would considerably strengthen the authority of the prohibition to resort to force by enabling public opinion and other States to judge with greater certainty whether this prohibition had been respected or not.

In the second place, in the event of international bodies being called upon to determine in fact the aggressor in a given conflict, the existence of a precise definition of the notion which these bodies would have to apply would render the determination of the aggressor much easier, and there would be less risk of an attempt to shield or excuse the aggressor, for various political reasons, without appearing to break the rule to be applied.

The Committee has drawn up a draft conceived on the universal plane. Certain members of the Committee, nevertheless, expressed

¹ See above, p. 152.

² See below, p. 226.

³ See below, p. 221.

doubts as to the possibility of achieving results on this plane, and, accordingly, some of them considered that before adopting definitions it would be well to know on what framework or to what States they would apply.

If the proposed definition was not universally accepted it would of course be compulsory only for the States who became parties to the present Act, and then only in their relations with one another. In such a case the international bodies would have to apply it to this extent only.

It should further be noted that the question of the definition of the aggressor and that of the sanctions to be taken against the aggressor, while of course closely connected, are nevertheless separate questions. The strictness of the definition of the aggressor does not necessarily lead to the automatic application of sanctions.

Furthermore, criticisms of principle were directed against the method itself.

Certain members of the Committee (Germany, Hungary, Italy, Spain, Switzerland, United Kingdom) showed a preference for an elastic definition of aggression which would permit the international authorities to take all the circumstances into account, thus obviating the drawbacks of the application of rigid definitions which in certain cases might not be adaptable to the actual facts. What would be essential according to this view would be for the parties to the conflict to agree to submit the judgement of the facts in cases of alleged aggression to an international body.

As regards cases in which the international body might have doubts, despite the definition given, two proposals were made. According to the first, the international body would have to resort to arbitration in order to settle the doubt as to the determination of the aggressor. According to the second, the aggressor should be regarded as being the State which refused to cease hostilities and to withdraw its troops from the territory in which they should not be situated. Nevertheless, the majority of the Committee preferred to keep to the original proposals. . . .

. . . A special Protocol (Annex II)¹ has been drawn up which constitutes an annex to Article 2.

This Protocol, which forms an integral part of the Act, simply aims at illustrating the scope of Article 2. It enumerates the principal cases in which States might have thought themselves authorized to resort to measures of force against another State under international law as it existed previous to the Pact of Paris and to the Covenant

¹ See below, p. 222.

of the League of Nations. But it is evident that this enumeration cannot have the effect of in any way restricting the scope of the general formula of Article 2.

Furthermore, the Protocol takes care to specify that breaches of international law, which would not justify the use against the State committing them of the measures of force defined as acts of aggression and enumerated in Article 1, cannot be legitimated by the Protocol. A State which complains of violations of international law will be entitled, in order to redress the wrongs which it claims to have suffered, to have recourse to procedures of pacific settlement and, if necessary, it may employ means of pressure, such as the breaking off of diplomatic, economic, and other relations, which do not constitute measures of force.

The question of provocation was raised in the Committee. In this connexion an explanation is called for. 'Provocation' is either one of the acts of aggression defined in Article 1; in such case the State which has been the victim of such an act can obviously retaliate by acts of a similar nature, and no difficulty arises. Or 'provocation' consists in a breach of international law, or in the unfriendly attitude of Governments or public opinion without the commission of an act of aggression. In such case the provocation cannot be regarded as an excuse.

Certain reservations were made with regard to the drafting of this Protocol. . . .

ANNEX I

DRAFT ACT RELATING TO THE DEFINITION OF THE AGGRESSOR.

The States . . .

Deeming it necessary, in the interest of the general security, to define aggression as specifically as possible in order to obviate any pretext whereby it might be justified;

And noting that all States have an equal right to independence, security, the defence of their territory, and the free development of their institutions;

And desirous, in the interest of the general peace, to ensure to all peoples the inviolability of their territory;

And judging it expedient to establish the rules that are to be followed by the international bodies responsible for determining the aggressor:

Have agreed upon the following provisions:

Article 1.

The aggressor in an international conflict shall, subject to the

agreements in force between the parties to the dispute, be considered to be that State which is the first to commit any of the following actions:

- (1) declaration of war upon another State;
- (2) invasion by its armed forces, with or without a declaration of war, of the territory of another State;
- (3) attack by its land, naval, or air forces, with or without a declaration of war, on the territory, vessels, or aircraft of another State;
- (4) naval blockade of the coasts or ports of another State;
- (5) provision of support to armed bands formed in its territory which have invaded the territory of another State, or refusal, notwithstanding the request of the invaded State, to take in its own territory all the measures in its power to deprive those bands of all assistance or protection.

Article 2.

No political, military, economic, or other considerations may serve as an excuse or justification for the aggression referred to in Article 1.

Article 3.

The present Act shall form an integral part of the General Convention for the Reduction and Limitation of Armaments.

ANNEX II

DRAFT PROTOCOL ANNEXED TO ARTICLE 2 OF THE ACT RELATING TO THE DEFINITION OF THE AGGRESSOR.

The High Contracting Parties signatories of the act relating to the definition of the aggressor,

desiring, subject to the express reservation that the absolute validity of the rule laid down in Article 2 of that act shall be in no way restricted, to furnish certain indications for the guidance of the international bodies that may be called upon to determine the aggressor,

declare that no act of aggression within the meaning of Article 1 of that act can be justified on either of the following grounds among others:

A. *The internal condition of a State.*

e.g. its political, economic, or social structure; alleged defects in its administration; disturbances due to strikes, revolutions, counter-revolutions, or civil war.

B. *The International conduct of a State.*

e.g. the violation or threatened violation of the material or moral rights or interests of a foreign State or its nationals; the rupture of diplomatic or economic relations; economic or financial boycotts; disputes relating to economic, financial, or other obligations towards foreign States; frontier incidents not forming any of the cases of aggression specified in Article 1.

The High Contracting Parties further agree to recognize that the present Protocol can never legitimate any violations of international law that may be implied in the circumstances comprised in the above list.

PART II

ESTABLISHMENT OF THE FACT OF AGGRESSION

The Committee unanimously adopted, subject to certain minor modifications, the Belgian delegation's draft regarding the creation of commissions for establishing the facts in the case of aggression or threatened aggression.

The U.S.S.R. delegation, however, declared that it would only be able to declare its views on this Act when the problem of the definition of the aggressor had been settled.

Three fundamental ideas dominate the draft (Annex III),¹

(1) In the case of a crisis (whether a frontier has already been violated or whether a State feels it is under the imminent threat of aggression) it is highly desirable that there should be an *impartial* and *immediate* investigation of the facts likely to throw a light on the situation. Such investigations may be extremely valuable in guiding not only the international bodies which would have to give an opinion on the responsibilities involved in the conflict, but also public opinion, whose judgement can in such cases be decisive.

(2) To achieve their purpose, investigations should be made forthwith without any formalities intervening to delay the operation of the system. It is, therefore, essential that the moment the incident occurs the Commission for Establishing the Facts should be already in existence, or could be constituted immediately to carry out its mission without delay.

(3) Care should be taken to eliminate the chief objection which might be encountered by the creation of commissions of this kind by studiously avoiding investing them with any powers which could be regarded as directly or indirectly of an inquisitorial nature.

¹ See below, p. 224.

The Commissions referred to are in no way instruments manipulated from outside or directed either by the League of Nations or any other international body. They are merely instruments put at the disposal of the Governments concerned. The latter are the sole judges as to whether they require to make use of their services and have the sole power of deciding what should be submitted to their investigations.

It should be pointed out in this connexion that the Commissions in question have no other duties but to establish the facts, and they have no power whatever to express in this respect any legal opinion whatsoever. . . .

ANNEX III

ACT RELATING TO THE ESTABLISHMENT OF FACTS CONSTITUTING AGGRESSION.

Article 1.

There shall be set up at the seat of the Government of each of the High Contracting Parties which may so request a Commission for Establishing the Facts, consisting of five members, constituted as follows:

Every five years the Permanent Disarmament Commission (or the Council of the League of Nations) shall establish, for each of the said High Contracting Parties, a list of ten persons of different nationalities chosen from among the diplomatic agents and military, naval or air attachés accredited to the Government of such High Contracting Party. It shall further make provision in the interval for filling any vacancies that may occur in the personnel thus designated.

Each Government shall select from this list the five members of the Commission. It shall be permissible for it to make this choice and if necessary to modify it until such time as the Commission is dispatched.

The Commission shall be presided over by those of its Members holding the highest diplomatic rank.

Article 2.

Any High Contracting Party which believes itself to be the victim of, or threatened with, any aggression or violation of its territory shall have the option of calling upon the Commission to establish all the facts likely to throw light on the situation.

Article 3.

A High Contracting Party making use of this option must, immediately and by the most rapid means, notify the Secretary of the

Permanent Disarmament Commission (or the Secretary-General of the League of Nations). The latter shall at once notify the High Contracting Party accused, in order that it may, should it so desire, have the facts established on its side by the Commission set up on its territory.

Article 4.

If the Commission considers it useful for the accomplishment of its task to verify certain facts other than those to which its attention has been drawn by the complainant Government, it shall inform the latter, which shall decide what action should be taken in this respect.

Article 5.

Any Commission before which a request for the establishment of facts has been laid shall, as soon as possible, make known to the Secretary of the Permanent Disarmament Commission and to the Secretary-General of the League of Nations, as also to the complainant Government, a detailed report, giving such evidence as it has been able to establish regarding the significance of the facts related therein, and a statement of the conditions in which its mission has been carried out.

The Commission shall supply the Permanent Disarmament Commission and the Council of the League of Nations with any supplementary written or verbal explanations which it may be asked to give in this connexion.

Article 6.

The decisions of the Commission for Establishing the Facts shall be taken by a majority vote, the members of the minority having the right to add to the report a note explaining the reasons for their disagreement.

Article 7.

The High Contracting Parties accept forthwith, on behalf of their diplomatic agents and military, naval, and air attachés, any mission that may be entrusted to the latter in execution of the present Convention.

PART III

EUROPEAN SECURITY PACT

This Pact (Annex IV)¹ consists of two separate chapters. The first is exclusively devoted to the obligation not to resort to war, and the second to the subject of mutual assistance.

¹ See below, p. 226.

States will have the option of assuming the obligations provided for in both these chapters or of limiting their commitments to the obligations in Chapter I.

The Pact is solely concerned with security in the strict sense of the term. Consequently, while its provisions contemplate various international conventions such as the Convention of September 26, 1931, to Improve the Means of Preventing War, and the Financial Assistance Convention of October 20, 1930, it makes no reference to the organization of procedures for the pacific settlement of disputes, and hence does not mention the General Act of Arbitration of September 26, 1928.

The Committee's conception is that for the present this Pact, one of the main objects of which is to facilitate the development of mutual assistance, can only be in the nature of a regional agreement, if the accession of a sufficient number of countries is to be secured. The Committee contemplates the conclusion of such a Pact within a European frame-work. In the present circumstances it would appear that Chapter I should concern all the European countries parties to the Pact of Paris, and Chapter II all the States of continental Europe.

PART IV

The purpose of the text¹ drawn up by the Committee to replace the present text of Article 6 of the Draft Convention is to determine the legal position, with regard to the annexes to which it refers, of the States which are parties to the General Convention but not parties to the said annexes. It determines the effect of the European Security Pact in regard to the signatories of the General Convention. These clauses are sufficiently explicit, and call for no comment.

ANNEX IV

DRAFT CONVENTION SUBMITTED BY THE UNITED KINGDOM.

(Annexes and Article 6)

ANNEX Y—EUROPEAN SECURITY PACT

Chapter I.

The High Contracting Parties (. . .) have agreed upon the following provisions:

Article 1.

Being desirous of promoting the cause of disarmament, and with a view thereto of encouraging a spirit of mutual confidence among the

¹ See below, p. 229.

nations of Europe by a declaration forbidding resort to force in the circumstances in which the Pact of Paris forbids any resort to war,

The High Contracting Parties solemnly reaffirm that they will in no circumstances resort among themselves to force as an instrument of national policy.

Article 2.

The High Contracting Parties undertake to accede, if they have not already done so, to the General Convention to Improve the Means of Preventing War, signed at Geneva on September 26, 1931, such accession to take effect as from the date of the entry into force of the Convention for the Reduction and Limitation of Armaments.

Chapter II.

Recognizing that it is important for the maintenance of peace and the success of the efforts they have undertaken for the reduction and limitation of armaments, that a State victim of aggression should receive prompt assistance, the High Contracting Parties have further agreed upon the following provisions:

Article 3.

The purpose of assistance is to bring about the cessation of the aggression and to ensure a just settlement of its consequences.

Article 4.

Assistance shall be due by any High Contracting Party having assumed the obligation to assist another under treaties published by and registered with the Secretariat of the League of Nations, in accordance with the conditions and procedure laid down in those treaties.

Article 5.

Assistance is also due in the cases indicated in the Covenant of the League of Nations.

Article 6.

A State shall be considered as having resorted to war within the meaning of Article 16 of the Covenant of the League of Nations, subject to the agreements in force between the parties in conflict, when it is the first to have committed one of the following acts:

- (1) Declaration of war on another State;
- (2) Invasion by its armed forces, even without declaration of war, of the territory of another State;

- (3) Attack by its land, naval, or air forces, even without declaration of war, on the territory, ships, or aircraft of another State ;
- (4) Support given to armed bands which, having been formed in its territory, have invaded the territory of another State, or refusal to take in its own territory, notwithstanding the request of the invaded State, all the measures in its power to deprive the said bands of all help or protection.

Article 7.

Each of the High Contracting Parties undertakes to participate immediately, to the extent determined hereafter, in the execution of any recommendations which the Council of the League of Nations may make in pursuance of Article 16, paragraph 2, of the Covenant of the League, when such recommendations have been adopted unanimously, excluding the votes of the Parties to the dispute.

The assistance thus promised shall be due by a Contracting State to the Contracting States situated in a particular area. (This clause will be completed after negotiations on the subject.)

This immediate assistance shall consist in the contributions specified in the table annexed to the present agreement. (The contents of this table will be settled after negotiations on the subject.)

The High Contracting Parties undertake not to regard as acts of war acts performed with a view to providing this assistance.

Article 8.

If after the entry into force of the present Pact a High Contracting Party, which has not yet assumed an obligation within the meaning of paragraphs 2 and 3 of the preceding Article, desires to assume such obligation, it shall be allowed to do so by agreement between the States bound by the present Chapter.

Similarly, if a High Contracting Party desires to extend the obligation assumed by it in a given area to another area, it shall be allowed to do so by agreement between the States bound by the present Chapter.

Article 9.

(*Pour mémoire.* Should material or effectives be placed at the disposal of the League of Nations, a clause would be inserted relating to the employment of these effectives and material for the assistance provided for in the present Pact.)

Article 10.

Such of the High Contracting Parties as are members of the League of Nations undertake to accede, if they have not already done so, to the Convention for Financial Assistance, signed at Geneva on October 2, 1930, such accession to take effect as from the date of the entry into force of the Convention for the Reduction and Limitation of Armaments.

Article 11.

Any treaty which may be concluded with a view to laying down fresh obligations of assistance in case of aggression shall be included in the present Pact after being published by and registered with the Secretariat of the League of Nations.

Article 12.

The High Contracting Parties shall state on signing the present Pact whether their signatures apply

- (a) to the Pact as a whole (Chapter I and Chapter II)
- (b) or only to the provisions of Chapter I.

Article 13.

European States which are not signatories of the present Pact may accede to it under the same conditions. States bound by the obligations of Chapter II shall determine by common agreement with the State adhering to the said Chapter the methods of application of paragraphs 2 and 3 of Article 7.

Article 6 of the Convention.

The High Contracting Parties recognize that the provisions of Annex Y of the present Convention are likely to contribute to the maintenance of peace, and accordingly agree to base thereon any decisions which they may have to take, particularly in the Permanent Disarmament Commission, with a view to preventing any breach of the Pact of Paris by a Power which has signed Annex Y, determining the responsibility should such a breach occur and fixing the consequences.

The High Contracting Parties agree to refrain from any action which might hamper the application of the measures to be taken in the cases provided for by Articles IV, V, and VI of Annex Y, and not to recognize any *de facto* situation brought about by the breach of an international obligation on the part of a State recognized as the aggressor in application of the provisions of the said annex.

The High Contracting Parties Members of the League of Nations also undertake to comply with the provisions of Article VI of the said annex as regards the application of Article 16 of the Covenant of the League of Nations to the signatories of the said annex.

The High Contracting Parties Members of the League and signatories of the Convention for Financial Assistance signed at Geneva on October 2, 1932, likewise undertake to comply with the provisions of Article VI of the said annex as regards the application of that Convention.

(ii) *Soviet Non-Aggression Conventions.*

(a) *Convention for the Definition of Aggression, July 3, 1933.*¹

The Central Executive Committee of the U.S.S.R., His Majesty the King of Afghanistan, the President of the Esthonian Republic, the President of the Latvian Republic, His Majesty the Shah of Persia, the President of the Polish Republic, His Majesty the King of Rumania, and the President of the Turkish Republic,

Impelled by the desire to strengthen the peace existing between their countries,

Believing that the Briand-Kellogg Pact (Pact of Paris) to which they are signatories forbids all aggression,

Deeming it necessary in the interests of universal security to define as closely as possible the conception of aggression, in order to eliminate every pretext for its justification,

Declaring that every State has an equal right to independence, security, defence of its territory, and free development of its State system,

Inspired by the desire in the interests of universal peace to assure all nations of the inviolability of the territory of their countries,

Considering it useful in the interests of universal peace to put into force as between their countries precise rules for the definition of aggression, pending the universal recognition of these rules,

Have decided for this purpose to conclude the present convention and have duly accredited: The Central Executive Committee of the U.S.S.R.—Maxim Litvinov, People's Commissar for Foreign Affairs; His Majesty the King of Afghanistan—Ali Mohammed Khan, Minister of Education; the President of the Esthonian Republic—Dr. Oscar Kallas, Envoy Extraordinary and Minister Plenipotentiary in London; the President of the Latvian Republic—M. Waldemar Salnais, Minister of Foreign Affairs; His Majesty the Shah of Persia—Fatolla-Khan Nury Esfendiary, Chargé d'Affaires in London; the

¹ From the *Soviet Union Review*, Special Supplement, July-August 1933.

President of the Polish Republic—M. Edouard Racziński, Permanent Polish Representative to the League of Nations and Envoy Extraordinary and Minister Plenipotentiary; His Majesty the King of Rumania—M. Nicolas Titulescu, Minister of Foreign Affairs; the President of the Turkish Republic—Tevfik Rüstü-Bey, Minister of Foreign Affairs.

Who have agreed upon the following provisions:

Article I. Each of the High Contracting Parties undertakes to recognize in its relations with each of the other parties, beginning with the day this convention enters into effect, the definition of aggressor outlined in the report of the Security Committee of May 24, 1933 (the *Politis Report*), at the Disarmament Conference, based upon the proposal of the Soviet delegation.

Article II. In accordance with the above, the aggressor in an international conflict, with due consideration to the agreements existing between the parties involved in the conflict, will be considered the State which will be the first to commit any of the following acts:

1. Declaration of war against another State;
2. Invasion by armed forces, even without a declaration of war, of the territory of another State;
3. An attack by armed land, naval, or air forces, even without a declaration of war, upon the territory, naval vessels, or aircraft of another State;
4. Naval blockade of the coasts or ports of another State;
5. Aid to armed bands formed on the territory of a State and invading the territory of another State, or refusal, despite demands on the part of the State subjected to attack, to take all possible measures on its own territory to deprive the said bands of any aid and protection.

Article III. No considerations of a political, military, economic, or any other nature can serve as an excuse or justification of aggression as specified in Article II (see below for explanation).

Article IV. This convention will be ratified by the High Contracting Parties in accordance with the laws of each of them.

Ratification papers will be deposited by each of the High Contracting Parties with the Government of the U.S.S.R. As soon as ratification papers are deposited by two of the High Contracting Parties, the present convention enters into force between the said two parties. As each of the other High Contracting Parties deposits its ratification papers the convention will enter into force for it.

Notice of each deposition of ratification papers will be immediately

given to each of the signatories of this convention by the Government of the U.S.S.R.

Article V. The present convention has been drawn up in eight copies, one of which is entrusted to each of the contracting parties, in confirmation of which the above-mentioned representatives have signed the present convention and affixed their seal thereto.

Done in London, July 3, 1933.

MAXIM LITVINOV, ALI MOHAMMED KHAN, OSCAR KALLAS,
WALDEMARAS SALNAIS, FATOLLA-KHAN NURY ESFENDIARY,
EDOUARD RACZINSKI, NICOLAS TITULESCU, TEVFIK RÜSTÜ-
BEY.

Appendix to Article III on the Definition of Aggression.

The High Contracting Parties which have signed the Convention defining aggression, desirous, while retaining the complete inviolability of the absolute meaning of the rule formulated in Article III of the said Convention of giving certain indications permitting the determination of an aggressor, establish that none of the circumstances mentioned below may be used to justify any act of aggression in the sense of Article II of the said Convention:

The internal position of any State, as, for example: its political, economic, or social structure; alleged shortcomings of its administration; disorder following upon strikes, revolutionary or counter-revolutionary movements, and civil war;

The international conduct of any State, as, for example: infringement or a threat of infringing the material or moral rights or interests of a foreign State or its citizens; rupture of diplomatic or economic relations; measures of economic or financial boycott; conflicts in the sphere of economic, financial, or other obligations in connexion with foreign Governments; border incidents which do not fall under any of the cases of aggression indicated in Article II.

At the same time the High Contracting Parties unanimously recognize that the present Convention must in no case serve to justify the infringements of international law which might fall under the obligations included in the foregoing list.

(b) Note on Conventions for the Definition of Aggression signed on July 4 and 5, 1933.

On July 4 and 5 M. Litvinov signed two further conventions defining aggression. While the Convention with Lithuania, signed on July 5, was *mutatis mutandis* identical with that of July 3, that of July 4, concluded with Turkey and the Little Entente States, differed in respect of Article IV which read as follows:

The present Convention is open for adherence by all other countries. Adherence will carry the same rights and obligations as in the case of the original signatories. Notification of adherence shall be made to the Government of the Soviet Union which will immediately notify the other participants.

The Convention was signed by the following:

Rumania: NICOLAS TITULESCU, *Minister of Foreign Affairs*;
Czechoslovakia: JAN MASARYK, *Minister in London*;
Turkey: MEHMET MUNIR-BEY, *Ambassador in London*;
U.S.S.R.: MAXIM LITVINOV, *People's Commissar for Foreign Affairs*;
Yugoslavia: GEORGI DJURITCH, *Minister in London*.

(c) *Pact of Friendship, Non-aggression and Neutrality between Italy and the U.S.S.R., September 2, 1933.*¹

(Note: The terms of this treaty followed closely those of the Franco-Soviet Treaty of November 29, 1932; where the treaties differ, the text of the French Treaty² is printed as a footnote.)

His Majesty the King of Italy and the Central Executive Committee of the Union of Socialist Soviet Republics, animated by a desire to contribute by all means possible to the maintenance of general peace, noting the continuance of the friendly relations which unite their two countries, desiring to continue the policy of absolute non-intervention in the internal affairs of their respective countries, have agreed to consolidate the relations existing between Italy and the Union of Socialist Soviet Republics by the conclusion of the present Treaty and have accordingly appointed their plenipotentiaries:

His Majesty the King of Italy:

H.E. Benito Mussolini, Head of the Government, Prime Minister,
Secretary of State for Foreign Affairs;

The Central Executive Committee of the Union of Socialist Soviet Republics:

M. Wladimir Potemkin, Ambassador of the U.S.S.R.;

Who, having at Rome exchanged their full powers, found in good and due form, have agreed upon the following provisions:³

¹ *L'Europe Nouvelle*, October 14, 1933. Translation prepared by the Information Department.

² *L'Europe Nouvelle*, December 3, 1932.

³ Le Président de la République Française et le Comité Central Exécutif de l'Union des Républiques Soviétiques Socialistes,
Animés de la volonté de consolider la paix,
Convaincus qu'il est dans l'intérêt des deux Hautes Parties Contractantes d'améliorer et de développer les relations entre les deux pays,
Respectueux des engagements internationaux qu'ils ont précédemment

Article 1.

Each of the High Contracting Parties undertakes in no circumstances, either alone or in conjunction with one or more other States, to declare war on the other Party or to attack it either on land, sea, or air, and to respect the inviolability of the territory which is under its sovereignty.¹

Article 2.

If either of the High Contracting Parties is attacked by one or more Powers, the other High Contracting Party undertakes² to observe neutrality during the whole period of the conflict.

If one of the High Contracting Parties attacks a third Power, then the other High Contracting Party has the right to denounce the present Pact without notice.

Article 3.³

Each of the High Contracting Parties undertakes not to participate during the validity of the present Pact in any international agreement having as its practical result the prohibition of purchase from the other Party or the sale to her of goods or the granting to her of credits, nor must it take any measures which may lead to the exclusion of the other Party from participation in its foreign trade.

Article 4.⁴

Each of the High Contracting Parties undertakes not to enter into assumés et dont ils déclarent qu'aucun ne fait obstacle au développement pacifique de leurs relations mutuelles et ne se trouve en contradiction avec le présent Traité,

Désireux de confirmer et de préciser, en ce qui concerne leurs rapports respectifs, le Pacte général de renonciation à la guerre du 27 août 1928,

Ont résolu de conclure un Traité à ces fins et ont désigné pour leurs plénipotentiaires savoir:

Le Président de la République Française:

M. Edouard Herriot, député, président du Conseil, ministre des affaires étrangères;

Le Comité Central Exécutif de l'Union des Républiques Soviétiques Socialistes:

M. Valérien Dovgalevsky, ambassadeur extraordinaire et plénipotentiaire de l'Union des Républiques Soviétiques Socialistes près le Président de la République Française;

Lesquels, après avoir échangé leurs pouvoirs, reconnus en bonne et due forme, sont convenus des dispositions suivantes: . . .

¹ Add: 'ou dont elle assume la représentation extérieure et contrôle l'administration.'

² Substitute: 'à ne prêter ni directement ni indirectement aide ou assistance à l'agresseur ou aux agresseurs, pendant la durée du conflit.'

³ Article 4 in the French Treaty.

⁴ This article did not appear in the French Treaty.

any agreements of a political or economic nature or into any combinations directed against the other Party.

Article 5.¹

The obligations laid down in the foregoing paragraphs can in no way restrict or change the rights and duties of each of the High Contracting Parties under agreements contracted before the present Pact entered into operation. Each of the High Contracting Parties declares in this paragraph that it is not bound by any agreements imposing on it the obligation to participate in an attack organized by a third Power.²

Article 6.³

The High Contracting Parties undertake to submit questions on which agreement cannot be reached by ordinary diplomatic methods to a Committee on Procedure.⁴

Article 7.

The present Pact, of which the Russian and Italian texts have equal validity, will be ratified and the exchange of ratifications will take place in Moscow. It will come into operation on the date of exchange of ratifications and will remain in force for one year after the announcement by either of the High Contracting Parties of its desire to denounce it. Such a denunciation, however, cannot take place before the expiry of five years⁵ from the date of its coming into force.

¹ Article 3 in the French Treaty.

² Article 5 in the French Treaty read: 'Chacune des Hautes Parties Contractantes s'engage à respecter à tous égards la souveraineté ou l'autorité de l'autre Partie sur l'intégralité de ses territoires tels qu'ils sont définis à l'article premier du présent Traité, à ne s'immiscer en aucune façon dans ses affaires intérieures, à s'abstenir notamment d'une action quelconque tendant à susciter ou à favoriser toute agitation, propagande ou tentative d'intervention ayant pour but de porter atteinte à son intégrité territoriale ou de transformer par la force le régime politique ou social de tout ou partie de ses territoires.

'Chacune des Hautes Parties Contractantes s'engage en particulier à ne créer, protéger, équiper, subventionner ou admettre sur son territoire ni des organisations militaires ayant pour objet la lutte armée contre l'autre Partie, ni des organisations s'arrogeant le rôle de gouvernement ou représentant de tout ou partie de ses territoires.'

³ This Article did not appear in the French Treaty.

⁴ Article 6 in the French Treaty read: 'Les Hautes Parties Contractantes, ayant déjà reconnu, dans le Pacte général de renonciation à la guerre du 27 août 1928, que le règlement ou la solution de tous les différends ou conflits, quelle que soit leur nature ou leur origine, qui pourront surgir entre elles, ne devra jamais être recherché que par des moyens pacifiques, confirment cette disposition et, pour lui donner effet, annexent au présent Traité une Convention relative à la procédure de conciliation.'

⁵ Ten years in the French Treaty.

In faith whereof the plenipotentiaries have signed the present Treaty and have appended their seals thereto.

Done in Rome, in two copies, in Italian and Russian, September 2, 1933.

L.S. B. MUSSOLINI.

L.S. W. POTEMKIN.

3. THE FOUR-POWER PACT¹

The genesis of the Four-Power Pact is to be found in the foreign policy pursued by Signor Mussolini for many years. He had always believed that the first, and indeed the essential, condition for the peace of Europe was a good understanding between Italy, Great Britain, France, and Germany. His disappointment that the Locarno Treaty failed to bring about this desired result was reflected in the speeches which he made during the years following that Agreement. 'The label on the bottle remains,' he said on one occasion, 'but the contents have evaporated.'

Perhaps the first public indication which the Duce gave of his intentions was made as early as October 23, 1932, when, speaking at a mass meeting in Turin at the inauguration of the ceremonies celebrating the Tenth Anniversary of the March on Rome, he said:

'I think that if to-morrow on the basis of justice, of recognition of sacrosanct rights, . . . it were possible to recognize the premises necessary and sufficient for the collaboration of the four great Western Powers, Europe would be tranquil from the political standpoint, and perhaps the end would be in sight of the economic crisis by which we are gripped. . . .'

The political situation which had arisen in Europe as a result of the Nazi Revolution convinced Signor Mussolini that the time had come when an attempt must be made to find a basis upon which the four great Powers could collaborate for the peace of the world. He hoped thereby both to bring Nazi Germany into the family of Powers, thus applying a moderating influence of responsibility, and also to discover a formula whereby the all-important problem of treaty revision might be dealt with.

The Duce took advantage of the presence at Geneva of Mr. MacDonald and Sir John Simon, for the purpose of presenting the British Draft Convention to the Disarmament Conference, to invite them to Rome, where they arrived on March 18, 1933. There the British and Italian statesmen examined a project put forward by Signor Mussolini² for an understanding on the larger political questions, with the object of securing the collaboration of the four great Powers 'in an effort to promote, in the spirit of the Kellogg Pact and the "no force" declaration,³ a long period of peace for Europe and the world'.

Briefly the Duce's proposition was that the four Powers should, in addition to the object stated above, endorse the principle of the revision of the Peace Treaties, which should be applied only within the framework of the League of Nations 'in a spirit of mutual understanding and solidarity

¹ See *Survey* for 1933, Part II (iii).

² See below, p. 242.

³ Five-Power Declaration of December 11, 1932. See *Documents* for 1932, p. 233.

of reciprocal interests'; that in the event of a breakdown of the Conference they should give an effective meaning to the equality of rights promised to Germany, in return for which Germany should agree that this equality should be effected by stages; and that, finally, 'in all political and non-political European and extra-European questions, as well as in the colonial sphere, the four Powers should undertake to adopt as far as possible a common line of action'.

On their return to Paris from Rome the British Ministers communicated to the French Premier, M. Daladier, the terms of the Italian proposal. These were not accorded a very cordial reception, and there was almost immediate evidence that the smaller Locarno Powers, and particularly the Little Entente States, were becoming distinctly uneasy as to the effect of the Italian proposal which, they contended, was aimed at the sabotage of the League of Nations and consequently at their influence in that body, and it was to the allaying of this uneasiness that the French Government devoted much of its time.

In a speech to the House of Commons on March 23,¹ Mr. MacDonald gave an account of the Rome conversations and emphasized the desire of all parties concerned that any agreement for treaty revision should be within the framework of the League. He then made his contribution to reassuring the smaller Locarno Powers: 'I can give them an assurance', he said, 'that so far as the conversations are concerned they have no foundations whatever for their fears. I wish to make it clear that in our view these smaller States have a right to be consulted wherever their special interests are concerned, and that that will be done.'

The smaller States, however, were not impressed by this avowal, and the Permanent Council of the Little Entente at its Meeting in Geneva on March 25 issued a statement² to the effect that it could not admit that the cause of good relations between the various countries was helped by agreements which had for their aim the disposal of rights belonging to other States, whether such agreements obliged their signatories to concrete decisions, or whether the purpose was that the signatories should exert pressure on countries which were not parties to the agreement. The Council announced further that the Little Entente formulated at once 'the most explicit reserve towards the eventual conclusion of such agreements in all that might concern their rights and policy'.

In France the whole attention of the Government had been given to the task of drafting counter-proposals which would get rid of the objectionable features of the Italian draft and would, at the same time, reassure the Little Entente, Poland, and Belgium, of whom the latter had expressed its anxieties in an *Aide-Mémoire* addressed to the French Government on April 2.³ On April 6 M. Daladier made an important statement⁴ in the *Chambre* saying that France would not countenance a 'directory of the Great Powers laying down the law to the smaller nations, a kind of society more ambitious even than the Holy Alliance'. The French solution for European problems was equality of nations, and this implied participation of the States concerned in all discussions affecting them. Any new Pact must be a logical sequel to the Covenant, the Kellogg Pact, and the

¹ See below, p. 250.

³ See below, p. 257.

² See below, p. 252.

⁴ See below, p. 252.

Locarno Treaty; there must be collaboration in the maintenance and enforcement of existing contracts for preserving peace, respect for the rights of all nations, and the application not only of Article 19 of the Covenant, but also of Articles 10, 11, 12, 15, and 16. These provisions were embodied in a new French draft which, together with a Memorandum,¹ was submitted to the British and Italian Governments on April 10, having been preceded on April 1 by a British draft.² The French draft was also circulated to the Little Entente.

The negotiations for the Four-Power Pact languished somewhat as a result of the crisis in the early part of May consequent upon the effects of Nazi foreign policy, but one of the immediate results of Herr Hitler's remarkable speech of May 17³ was the flying visit of Captain Goering to Rome on May 20 to consult with Signor Mussolini and the British and French Ambassadors about the progress of the Pact. On May 30 a further obstacle was removed by the statement of the Permanent Council of the Little Entente⁴ that they accepted the revised French text of the Pact, and that they had received from the French Government assurances and formal guarantees against any attempt at a revision of the Peace Treaties. These guarantees were considered to be such that no danger could arise, and the Little Entente, therefore, withdrew its opposition.

These assurances and their acceptance were placed on record in an exchange of identic Notes between the French Foreign Minister and the Governments of the Little Entente States on June 7. These stated that there could be no question of introducing any question of revision, except within the rules fixed by Article 19 of the Covenant. Should it become necessary to examine the procedure to be applied if one of two States, wishing to raise a territorial question already settled by treaty, proposed to ask the League Assembly to discuss this subject on the basis of Article 19, the French Government would accept no proposal tending to modify the conditions in which, by the terms of the Covenant, the Assembly might legally invite Members of the League to undertake a new examination of treaties which had become inapplicable or of a situation which might endanger peace. The unanimity of all the Members present, necessary for the application of the general principles of the Covenant, would continue to be required when the Assembly gave the vote in question. These assurances were also repeated in a declaration to the Polish Government dated June 8.

The Pact itself was initialled *ne varietur* at 7.30 on the evening of June 7 by Signor Mussolini and the Ambassadors of Great Britain, France, and Germany. By Article 1 the High Contracting Parties agree to consult on all questions which appertain to them and to pursue within the framework of the League the policy of effective co-operation between all Powers with a view to the maintenance of peace. Article 2 provides that the High Contracting Parties should examine between themselves, and without prejudice to decisions which can only be taken by the regular organs of

¹ See below, p. 255.

² To facilitate the examination of the evolution of the Four-Power Pact the Italian, British, and French drafts, together with the German amendments put forward on April 24, and the final text initialled on June 7, have been synoptically arranged on pp. 240-9.

³ See above, p. 196.

⁴ See below, p. 261.

the League of Nations, all proposals relating to methods of procedure calculated to give effect to Articles 10, 16, and 19 of the Covenant. By Article 3 the Four Powers agree to make every effort to ensure the success of the Disarmament Conference, and to re-examine between themselves any problems which remain in suspense at the conclusion of that Conference, and they likewise agree (Article 4) to consult together on all economic questions which have a common interest for Europe and particularly for its economic restoration.

It will be observed that in the initialled text, which was finally signed on July 15, there is found no mention of equality of status for Germany, and no specific reference to the question of treaty revision beyond a mention of Article 19.

Nevertheless, in his speech before the Senate on June 7,¹ Signor Mussolini maintained that, notwithstanding the modifications, the fundamental principles of the original text had been maintained, and he made a special point of denying rumours that France had ever tried to 'torpedo' the project, expressing confidence that Franco-Italian relations would now be put on an entirely different footing.²

There was no intention of a definite hierarchy among the States, he declared, but such a hierarchy did, in fact, exist, as regards the four great Western Powers, within such an eminently democratic institution as the League, where they had permanent seats on the Council. Revision by force was never part of the original project, but, ever since the War, the Peace Treaties have been gradually undergoing adaptation, and it would be dangerous to ignore the existence of such a process, which had often developed under much greater difficulties than would have been found in an atmosphere of greater reciprocal trust and understanding. The Pact thrust aside all idea of opposing groups, and sought to conciliate the interests of the individual States with the supreme common interest of all. It was imbued with the idea of collaboration with all other States, European and non-European, and in particular with the United States, without whose support the solid and constructive work of the pacification and economic restoration of the world was not possible. As for the League, it would be helped and not hurt by this methodical collaboration between the Permanent Members of its Council.

¹ See below, p. 267.

² As an earnest of this the French Professor M. Eydoux, who had been sentenced for espionage on February 4, was pardoned on the date of the initialling of the Pact.

(i) *Synoptic Table of British, French, and Italian drafts, German amendments, and the Final Text of the Four-Power Pact, March 18-June 7, 1933.*¹

(a) *Italian draft, March 18, 1933* (b) *British draft, April 1, 1933*
No Preamble.

(c) *French Draft, April 10, 1933*

L'Allemagne, la France, la Grande-Bretagne et l'Italie,

Conscientes des responsabilités particulières que leur impose leur qualité de Membres permanents du Conseil de la Société des Nations à l'égard de la Société elle-même et de ses Membres, et de celles qui résultent de leur signature commune des Accords de Locarno,

Convaincues que l'état de malaise qui règne dans le monde ne peut être dissipé que par un renforcement de leur solidarité susceptible d'affirmer en Europe la confiance dans la Paix,

Fidèles aux engagements qu'elles ont pris par le Pacte de la Société des Nations, les Traités de Locarno et le Pacte Briand-Kellogg, et se référant à la déclaration de non-recours à la force, dont le principe a été adopté le 2 mars dernier par la Commission politique de la Conférence du Désarmement,

(d) *Final Text, June 7, 1933.*

Les Représentants des Gouvernements de l'Empire allemand, du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord, de la République française et du Royaume d'Italie, réunis à Rome le 7 juin 1933, ont donné leur agrément au projet de Pacte d'entente et de collaboration ci-annexé, qui, dès à présent paraphé, *ne varietur*, portera la date de ce jour, les Gouvernements susmentionnés convenant de procéder à la formalité de sa signature le plus tôt que faire se pourra.

Le Président de l'Empire allemand, le Président de la République française, Sa Majesté le Roi de Grande-Bretagne et d'Irlande du Nord et des Territoires britanniques au delà des mers, Empereur des Indes, et Sa Majesté le Roi d'Italie;

Conscients des responsabilités particulières que le fait d'être représentés à titre permanent au Conseil de la Société des Nations leur impose à l'égard de la Société elle-même et de ses membres, et de celles qui résultent de leurs signatures communes des accords de Locarno;

Convaincus que l'état de malaise qui règne dans le monde

¹ French Blue Book. The German amendments were made in regard to the French draft and are printed here as footnotes to it.

(c) *French Draft—(Contd.)*

Soucieuses de donner leur pleine efficacité à toutes les dispositions du Pacte,¹ en se conformant aux méthodes et procédures qui y sont prévues et auxquelles elles n'entendent pas déroger,

Respectueuses des droits de chaque État, dont il ne saurait être disposé en dehors de l'intéressé,

Sont convenues des dispositions suivantes:

¹ *German amendment.* Préambule.—Soucieuses de donner leur pleine efficacité à toutes les dispositions du Pacte, Respectueuses des droits de chaque État dont il ne saurait être disposé en dehors d'eux.

(d) *Final Text—(Contd.)*

ne peut être dissipé que par un renforcement de leur solidarité susceptible d'affermir en Europe la confiance dans la paix;

Fidèles aux engagements qu'ils ont pris par le Pacte de la Société des Nations, les Traités de Locarno et le Pacte Briand-Kellogg, et se référant à la déclaration de non-recours à la force, dont le principe a été proclamé dans la déclaration signée à Genève le 11 décembre 1932 par leurs délégués à la Conférence du Désarmement et adopté le 2 mars 1933 par la Commission politique de ladite Conférence;

Soucieux de donner leur pleine efficacité à toutes les dispositions du Pacte de la Société des Nations, en se conformant aux méthodes et procédures qui y sont prévues et auxquelles ils n'entendent pas déroger;

Respectueux des droits de chaque État dont il ne saurait être disposé en dehors de l'intéressé;

Ont résolu de conclure un pacte à ces fins et ont désigné pour leurs Plénipotentiaires, savoir:

Le Président de l'Empire allemand, . . .

Le Président de la République française, . . .

Sa Majesté le Roi de Grande-Bretagne et d'Irlande du Nord et des Dominions britanniques au delà des mers, Empereur des Indes, . . .

Sa Majesté le Roi d'Italie, . . .

Lesquels, après avoir échangé leurs pleins pouvoirs reconnus en bonne et due forme, ont convenu des dispositions suivantes:

(a) *Italian Draft, March 18, 1933*Article 1^{er}

Les quatre Puissances occidentales: l'Allemagne, la France, la Grande-Bretagne, l'Italie, s'engagent à réaliser entre elles une politique effective de collaboration en vue du maintien de la paix selon l'esprit du Pacte Kellogg et du "No force pact", et s'engagent à agir, dans le domaine des relations européennes, pour que cette politique de paix soit adoptée, en cas de nécessité, aussi par les autres États.

Article 2.

Les quatre Puissances confirment le principe de la revision des traités de paix, d'après les clauses du Pacte de la Société des Nations dans le cas où se vérifieraient des situations susceptibles d'amener un conflit entre les États. Elles déclarent en même temps que ce principe de revision ne peut être appliqué que dans le cadre de la Société des Nations, dans un esprit de compréhension mutuelle et de solidarité des intérêts réciproques.

(b) *British Draft, April 1, 1933*

I

Les quatre Puissances occidentales: la France, l'Allemagne, la Grande-Bretagne et l'Italie s'engagent à pratiquer entre elles une politique effective de coopération en vue d'assurer le maintien de la Paix dans l'esprit du Pacte Kellogg et du Pacte de "non-recours à la force" prévu par la déclaration signée par les Puissances ci-dessus le 11 décembre 1932.

II

Les quatre Puissances confirment que, si les dispositions du Pacte de la Société des Nations stipulent un respect scrupuleux de toutes les obligations contractuelles comme moyen de réaliser la Paix et la sécurité internationales, elles envisagent également la possibilité de la revision des traités de Paix quand il se produit des conditions susceptibles de donner naissance à un conflit entre Nations.

En vue de faciliter le jeu de l'article 19 du Pacte, les quatre Puissances proposent ce qui suit; si et quand un Gouvernement soulève telle question particulière impliquant la revision d'un traité, la situation devrait être clarifiée tout d'abord par des négociations qui seront menées et des accords qui seront conclus, sur un pied d'égalité, entre les quatre Puis-

(c) *French Draft, April 10, 1933*

Article 1^{er}

Les Hautes Parties Contractantes se concerteront sur toutes questions qui leur sont propres et s'efforceront de pratiquer entre elles, dans le cadre du Pacte de la Société des Nations, une politique¹ effective de collaboration en vue du maintien de la Paix.

(d) *Final Text, June 7, 1933*

Article 1^{er}

Les Hautes Parties Contractantes se concerteront sur toutes les questions qui leur sont propres. Elles s'engagent à faire tous leurs efforts pour pratiquer dans le cadre de la Société des Nations une politique de collaboration effective entre toutes les Puissances en vue du maintien de la paix.

Article 2.²

Les Hautes Parties Contractantes en vue de l'application éventuelle en Europe des articles du Pacte, et notamment des articles 10, 16 et 19, décident d'examiner entre elles et sous réserve de décisions qui ne peuvent être prises que par les organes réguliers de la Société des Nations toutes propositions tendant à donner leur pleine efficacité aux méthodes et procédures prévues par ces articles.

Article 2.

En ce qui concerne le Pacte de la Société des Nations et notamment ses articles 10, 16 et 19, les Hautes Parties Contractantes décident d'examiner entre elles, et sous réserve de décisions qui ne peuvent être prises que par les organes réguliers de la Société des Nations, toute proposition relative aux méthodes et procédures propres à donner dûment effet à ces articles.

¹ *German amendment.* Art. 1^{er}.—... une politique de collaboration en vue du maintien de la Paix.

² *German amendment.* Art. 2.—Les Quatre Puissances confirment que les obligations du Covenant exigent un respect scrupuleux de toutes les obligations des traités comme moyen d'assurer la Paix et la Sécurité, mais elles reconnaissent aussi la possibilité de la revision des Traités de Paix dans des conditions qui pourraient conduire à un conflit entre les Nations.

A ce propos et en vue de l'application éventuelle en Europe des principes énoncés aux articles 10 (abrégé du contenu de l'article) et 19 (abrégé du contenu de l'article du Pacte), elles décident d'examiner entre elles, et sous réserve de décisions qui ne peuvent être prises que par les organes réguliers de la Société des Nations, toute proposition tendant à donner la pleine efficacité à ces principes.

(a) *Italian Draft—(Contd.)*

Article 3.

La France, la Grande-Bretagne, l'Italie déclarent que dans le cas où la Conférence du Désarmement n'aboutirait qu'à des résultats partiels, l'égalité des droits reconnue à l'Allemagne doit avoir une portée effective, et l'Allemagne s'engage à réaliser cette égalité des droits par degrés, qui seront fixés par des ententes successives à conclure entre les quatre Puissances par la voie diplomatique ordinaire.

Les quatre Puissances s'engagent à s'entendre, dans le même sens, pour ce qui concerne l'Autriche, la Hongrie, la Bulgarie.

(b) *British Draft—(Contd.)*

sances et les Gouvernements directement intéressés ; ces négociations et ces accords seront basés sur la reconnaissance réciproque des intérêts de toutes les parties et dans le cadre de la Société des Nations.

III

Il est convenu que le principe de l'égalité des droits accordé à l'Allemagne dans les conditions établies par la résolution des cinq Puissances en date du 11 décembre devra recevoir une valeur pratique.

Les quatre Puissances reconnaissent que le projet de convention sur le désarmement soumis par le délégué de la Grande-Bretagne à la Conférence du Désarmement le 16 mars dernier, non seulement donne effet à ce principe, mais constitue d'une manière satisfaisante la première étape du désarmement général et, en conséquence, elles s'engagent à le recommander à l'acceptation de la Conférence du Désarmement. L'Allemagne, de son côté, reconnaît que le principe de l'égalité des droits ne sera appliqué que par degrés en vertu d'accords auxquels chacune des quatre Puissances devra nécessairement être partie.

(c) *French Draft—(Contd.)*(d) *Final Text—(Contd.)*Article 3.¹

Renouvelant, pour ce qui les concerne, leur déclaration commune du 11 décembre 1932, les Hautes Parties Contractantes voient, dans le récent projet de Convention britannique, une base pratique de discussion, qui doit permettre à la Conférence du Désarmement d'élaborer aussi rapidement que possible une Convention assurant une réduction substantielle et une limitation des armements, avec des dispositions pour sa revision ultérieure en vue de réductions nouvelles. L'Allemagne, pour sa part, reconnaît que l'égalité des droits dans un régime comportant, pour toutes les Nations, la Sécurité, ne peut se réaliser que par étapes, conformément à l'article 8 du Pacte

Article 3.

Les Hautes Parties Contractantes s'engagent à faire tous leurs efforts pour assurer le succès de la Conférence du Désarmement et se réservent, au cas où, à l'issue de cette Conférence, des questions les concernant spécialement seraient demeurées en suspens, d'en reprendre l'examen entre elles par application du présent Pacte en vue d'en assurer la solution par les voies appropriées.

¹ *German amendment.* Art. 3.—Les Hautes Puissances Contractantes s'engagent à collaborer le plus rapidement possible avec les autres Puissances à une Convention assurant une réduction substantielle et une limitation des armements, avec des dispositions pour sa revision ultérieure en vue d'une réduction nouvelle. Dans le cas où la Conférence du Désarmement ne se terminera que par des résultats partiels, la France, la Grande-Bretagne et l'Italie déclarent que l'égalité des droits reconnus à l'Allemagne doit avoir une portée effective. L'Allemagne, de sa part, s'engage, pour la durée de la première Convention de désarmement (cinq ans au maximum), à ne réaliser cette égalité des droits que par étapes et en vertu d'un accord qui interviendra à cet effet en relation avec les mesures de désarmement des autres puissances. (Dispositions analogues en ce qui concerne l'Autriche, la Hongrie et la Bulgarie.)

(a) *Italian Draft—(Contd.)*(b) *British Draft—(Contd.)*

Article 4.

Dans toutes les questions politiques et non politiques européennes et extra-européennes, aussi bien que dans le domaine colonial, les quatre Puissances s'engagent à adopter, autant que possible, une ligne de conduite commune.

Article 5.

Cet accord politique d'entente et de collaboration qui sera soumis, si nécessaire, à l'approbation des Parlements dans un délai de trois mois, aura la durée de dix ans et il s'entendra renouveler de plein droit pour une période égale, s'il n'a pas été dénoncé par une des Parties Contractantes un an avant son échéance.

IV

L'application de ce principe de l'égalité des droits à l'Autriche, à la Hongrie et à la Bulgarie sera régie par les mêmes conditions que celles qui sont formulées pour l'Allemagne dans l'article précédent et seulement en vertu d'accords auxquels chacune des quatre Puissances devra nécessairement être partie.

V

Les quatre Puissances s'engagent à coopérer en vue de trouver des solutions aux difficultés économiques auxquelles sont actuellement en butte leurs nations respectives et le monde tout entier.

(c) *French Draft—(Contd.)*

et en vertu des accords qui interviendront à cet effet.

Article 4.

Les Hautes Parties contractantes affirment, d'une manière générale, leur volonté de se concerter sur toutes questions d'intérêt commun à l'Europe, notamment sur toutes questions concernant la restauration de son économie,¹ dont le règlement, sans faire l'objet d'une procédure devant la Société des Nations pourrait être utilement recherché dans le cadre de la Commission d'Études pour l'Union Européenne.

Article 5.

Le présent accord est conclu pour une durée de dix années à compter de l'échange des ratifications. Si, avant la fin de la huitième année, aucune des Hautes Parties Contractantes n'a notifié aux autres son intention d'y mettre fin, il sera considéré comme renouvelé et² restera en vigueur sans limite de durée, chacune des Parties contractantes conservant alors la faculté d'y mettre fin par une dénonciation avec préavis de deux années.

(d) *Final Text—(Contd.)*

Article 4.

Les Hautes Parties Contractantes affirment leur volonté de se concerter sur toute question d'ordre économique présentant un intérêt commun pour l'Europe et particulièrement pour sa restauration économique en vue d'un règlement à rechercher dans le cadre de la Société des Nations.

Article 5.

Le présent Pacte est conclu pour une durée de dix années à compter de sa mise en vigueur. Si, avant la fin de la huitième année, aucune des Hautes Parties Contractantes n'a notifié aux autres son intention d'y mettre fin, il sera considéré comme renouvelé et restera en vigueur sans limitation de durée, chacune des Hautes Parties Contractantes ayant, dans ce cas, la faculté d'y mettre fin par une déclaration à cet effet avec préavis de deux années.

¹ *German amendment.* Art. 4.—Omit rest of the article after sur toutes questions concernant la restauration de son économie.

² *German amendment.* Art. 5.—. . . et restera en vigueur sans limite de durée, les Parties Contractantes conservant la faculté d'y mettre fin par une dénonciation avec avis de deux ans.

(a) *Italian Draft—(Contd.)*

Article 6.

Le présent Pacte sera enregistré au Secrétariat de la Société des Nations.

(b) *British Draft—(Contd.)*

VI

Le présent accord d'entente et de coopération sera, s'il le faut, soumis à l'approbation des Parlements des Puissances contractantes dans un délai de trois mois à partir de la date de sa signature. Sa durée sera de dix ans. Si aucune des parties ne donne, avant la fin de la neuvième année, préavis de son intention de le considérer comme prenant fin à l'expiration de ces dix années, il sera considéré comme renouvelé pour une autre période de dix années.

VII

Le présent accord sera enregistré conformément au pacte de la Société des Nations, au Secrétariat de la Société des Nations.

(c) *French Draft—(Concl.)*

Article 6.

Le présent accord sera ratifié et les¹ ratifications en seront échangées le plus tôt que faire se pourra. Il sera enregistré au Secrétariat de la Société des Nations conformément aux dispositions du Pacte.

(d) *Final Text—(Concl.)*

Article 6.

Le présent Pacte, rédigé en allemand, anglais, français et italien, le texte français faisant foi en cas de divergence, sera ratifié et les ratifications en seront déposées à Rome le plus tôt que faire se pourra.

Le Gouvernement du Royaume d'Italie remettra à chacune des Hautes Parties Contractantes une copie certifiée conforme des procès-verbaux de dépôt.

Le présent Pacte entrera en vigueur dès que toutes les ratifications auront été déposées.

Il sera enregistré à la Société des Nations, conformément au Pacte de la Société.

Fait à Rome le 7 juin 1933 en un seul exemplaire qui restera déposé dans les archives du Gouvernement du Royaume d'Italie, et dont une copie certifiée conforme sera remise à chacune des Hautes Parties Contractantes.

En foi de quoi les Plénipotentiaires susnommés ont signé le présent Pacte.

¹ *German amendment.* Art. 6.—Le présent accord sera ratifié et les signatures seront échangées. . . .

(ii) *Extracts from Statement by the Rt. Hon. J. Ramsay MacDonald, March 23, 1933.*¹

When at Geneva, it came to my knowledge that Signor Mussolini would welcome a meeting as he wished to inform me of some views he held regarding the establishment of peace. On the invitation being received, with the approval of my right hon. Friends I accepted it, and proposed Rome as the place of meeting. . . .

On our arrival, a short document was handed to us which roughly and generally gave Signor Mussolini's views, showing that his mind had been running on an effective policy of collaboration between the four Western Powers to maintain peace in the spirit of the Kellogg Pact and of the No-Force Pact, which had been contemplated by the Five Power Conference as a return for Germany getting a declaration in principle of our willingness to grant her equality of status—a declaration that none of those five Powers should resort to force to try to solve any of their immediate political difficulties. He felt that Article 19 of the Covenant re treaties was not meant to become dormant. His view was that while the Covenant of the League of Nations enforced all respect for treaty obligations, it also contemplated the possibility of a revision of treaties when conditions arise which may lead to a conflict of nations.

There are two principles in the Preamble and Article 19. The first is that a treaty made should be observed, and should only be altered by the consent of both parties to the treaty. But Article 19 also says that treaties containing provisions which, in the efflux of time, have raised problems which may result in most undesirable conflicts ought to be subject to revisions. As a very distinguished politician has said, 'Every treaty is holy, but no treaty is eternal'. The plan laid down that the proposed co-operation should be carried out within the framework of the League of Nations, and 10 years was indicated as the first period for the treaty, should it be possible to arrange it. Indications were given that if this conception of understanding and co-operation between the Powers were adopted as an immediate aid to peace, as an immediate contribution to the solution of Europe's difficulties and dangers, the friendship thus engendered would have further beneficial consequences. That would be necessary, and the British Government will work out further details in this respect . . . so that the plan may not merely have as its general purpose peace and its big and almost only detail, revision of treaties.

¹ From *Hansard*, March 23, 1933, cols. 516-18.

The whole plan . . . we discussed with Signor Mussolini on Signor Mussolini's invitation. I hope that that is plain. . . . Some of the suggestions made to us quite plainly could not be accepted as they were, but, in conversation, we found they were very largely verbal differences, and that, by a slight redraft, Signor Mussolini's opinion and ours might coincide. . . .

We were not asked to approve or disapprove. We were only asked to say at this stage whether we were ready to study the matter further. We expressed ourselves at once as being very much interested, and we promised to study the matter in relation to all its settings and to get into communication with other friends on the subject.

The idea, we pointed out, required close examination and we indicated some matters of essential detail which had to be provided for—for instance, how the smaller States affected could be consulted. Some of them, I see by the newspapers, are beginning to fear the consequences. It is very natural, on account of what has been reported in the newspapers, but I can give them an assurance that, so far as the conversations are concerned, they have no foundation whatever for their fears, and I wish to make it clear that, in our view, these smaller States have a right to be consulted wherever their special interests are concerned, and that that will be done. The motive and the plan are undoubtedly to remove causes of war in Europe, the emphasis in the plan itself being upon the League of Nations taking up the responsibility imposed upon it by Article 19 of the Covenant; but it must not exclude smaller States from playing their proper part in the consideration when it is undertaken. In some respects the smaller States have a greater interest than the larger ones in removing causes of irritation and feelings of injury from the nations of Europe. They should be swift to provide this security and protection for themselves, and they may be sure that every support which can be given should the matter be pursued to that point—the point when the League of Nations is really taking the matter up—every support in that respect shall be given by His Majesty's Government. On the way through Paris we informed the French Ministers of our conversations, and they made public their desire for loyal co-operation in the interests of peace between the four European Powers who are permanent members of the League of Nations. . . .

(iii) *Communiqué issued by the Permanent Council of the Little Entente, March 23, 1933.*¹

Ayant soumis à un examen approfondi les événements des jours derniers, le conseil permanent de la Petite Entente est arrivé à la conclusion que toute collaboration d'États, qui a pour but d'établir des rapports amicaux entre eux et de régler les questions qui les concernent exclusivement, est souhaitable et salutaire.

Toutefois, les États de la Petite Entente ne sauraient reconnaître que l'on sert la cause des bonnes relations entre les différents pays par des accords qui auraient pour but de disposer des droits des tiers, soit que ces accords obligent leurs signataires à prendre des décisions concrètes, soit que ces derniers aient pour but d'exercer seulement une pression sur des pays autres que ceux qui ont conclu ces accords.

Comme on ne peut disposer du bien d'autrui ni directement ni indirectement, les États de la Petite Entente formulent dès à présent, leurs réserves les plus expresses concernant la conclusion éventuelle de tels accords, pour tout ce qui aurait trait à leurs droits et à leur politique.

Les accords de cette nature appartiennent au passé et, en tout cas, aux temps où la Société des Nations n'existait pas.

Les États de la Petite Entente regrettent en outre que dans les négociations des jours derniers, l'idée d'une politique revisionniste ait été soulignée. Se plaçant sur le terrain de l'intérêt général de la paix et tenant compte du sentiment unanime et profond de leurs pays, ils considèrent de leur devoir d'attirer l'attention sur le fait qu'une politique revisionniste, amenant nécessairement des réactions énergiques, n'est pas de nature à calmer les esprits des nations et à renforcer les sentiments de confiance qui seuls permettent la collaboration mutuelle.

C'est pourquoi les États de la Petite Entente considèrent comme essentiel de concentrer leurs efforts communs en vue des travaux pacifiques qui seuls peuvent assurer la paix et la sécurité du monde.

(iv) *Extract from Speech by M. Édouard Daladier, April 6, 1933.*²

... Une grave crise économique, qui dure depuis quatre années, la dévalorisation de près de moitié de l'ensemble des produits et des marchandises par rapport à l'or, la réduction dans les mêmes proportions de l'activité industrielle et commerciale, conséquence pour une grande part d'une crise agricole qui frappe les deux tiers de la

¹ *Journal de Genève*, March 28, 1933.

² In the Chamber of Deputies. *Le Temps*, April 8, 1933.

population du globe, un chômage total qui voue à la misère 35 millions d'êtres humains, autant de raisons pour toutes les nations de travailler résolument à cette œuvre de collaboration qui devrait s'étendre à tous les domaines.

Mais il est évident que cet effort ne peut être poursuivi que sous un ciel libéré des nuages qui, trop souvent, s'amoncellent, sinon cette noble entreprise est vouée à un échec certain.

Telle a été la pensée qu'a exprimée M. Mussolini dans son projet de pacte des quatre grandes puissances occidentales pour le maintien de la paix.

Comme je l'ai dit à la Chambre, on ne saurait contester la parfaite courtoisie dont le chef du gouvernement italien n'a cessé de faire preuve à notre égard dans ces négociations.

Cette collaboration des États occidentaux, membres permanents du conseil de la Société des Nations, États voisins, qui ont des frontières communes, si l'on observe que les progrès de l'aviation rendent presque négligeable l'existence du détroit qui sépare le continent de la Grande-Bretagne, États signataires des accords de Locarno, cette entente qui mettrait fin à des rivalités ou à des dissentiments qui paralysent trop souvent la Société des Nations pourrait être extrêmement féconde.

Nous l'avons étudié avec une entière sympathie, nous lui avons consacré l'examen approfondi que mérite un projet d'une si haute inspiration. Les conversations auxquelles il a déjà donné lieu ont eu pour résultat un premier rapprochement des idées que les gouvernements italien, britannique, et français ont d'abord exposées.

Ainsi un effort appréciable et nécessaire de précision a été accompli. Il importe de le poursuivre. C'est l'objet d'un mémorandum dont le gouvernement vient d'arrêter les termes.

La France doit pratiquer une politique positive, une politique constructive, conforme à ses véritables traditions.

Il ne s'agit nullement de donner notre adhésion à une sorte de directoire des grandes puissances qui imposerait leurs volontés au reste de l'Europe, à une Sainte-Alliance qui, encore plus ambitieuse que l'ancienne qui fut en réalité conservatrice, déciderait des revisions territoriales et de plus ou moins vastes déplacements de frontières.

Cette tentative se heurterait à l'idée française—je devrais dire, pour être juste, à l'idée franco-italienne, si je songe aux pages émouvantes que Mazzini lui consacrait du fond de son exil—de l'égalité des nations.

L'égalité des États implique l'association des États intéressés à toutes les conversations. Leurs droits ne sauraient être modifiés sans

leur consentement préalable et le recours aux organes de la Société des nations.

Il faut que le pacte nouveau, pour être utile, soit, en réalité, la suite logique des grandes constructions pacifiques auxquelles il se réfère lui-même : pacte de la Société des nations, pacte intégral, et non morcelé ou tronqué, accord Briand-Kellogg, accords de Locarno, qui garantissent, notamment, l'intégrité de la frontière franco-allemande et l'existence de la zone démilitarisée.

Ces traités demeurent avec toutes leurs clauses.

Nous ne saurions renier notre signature et la parole librement donnée, ni proclamer la déchéance de ces accords et de ces pactes, à la conclusion desquels les gouvernements français successifs ont si fortement et loyalement collaboré.

Messieurs, la collaboration des quatre grandes puissances sera heureuse si, loin d'apparaître comme une rupture de ces accords, elle s'efforce au contraire de les mettre pratiquement en œuvre.

Son but ne peut être que le maintien de la paix dans le respect de tous les droits.

Nous ne méconnaissions nullement l'article 19 du pacte de la Société des nations en vertu duquel—je cite le texte :

‘L'Assemblée peut de temps à autre inviter les membres de la Société à procéder à un nouvel examen des traités devenus inapplicables, ainsi que des situations internationales dont le maintien pourrait mettre en péril la paix du monde.’

Il est juste, en effet, de conjurer les dangers éventuels de guerre ; mais il faut donner aussi la vie aux articles qui ne visent pas seulement les dangers éventuels, mais les menaces immédiates de guerre, c'est-à-dire les articles 11, 12, 15 et 16 du pacte.

Certes, l'histoire enseigne qu'aucun traité n'est éternel. Par l'article 19, on s'est efforcé de déterminer une procédure pacifique qui requiert l'unanimité. Si celle-ci, un jour, n'apparaissait plus nécessaire, il faudrait admettre qu'elle doit cesser aussi d'être invoquée en face d'un péril imminent qui exigerait que soit secourue l'innocente victime d'une agression.

Et de quelles revisions s'agirait-il, de quelles frontières ?

Ce mot de revision, brusquement jeté dans le débat, n'éveillerait-il que des idées de justice internationale ? Ne risquerait-il pas aussi d'abriter des convoitises ou des haines ? Ne pourrait-il conduire à la guerre sous le drapeau de la paix ?

Pourrait-on penser qu'en ce printemps de 1933, devant le réveil de certains nationalismes et l'appel à des passions que l'on croyait à jamais disparues pour l'honneur de la civilisation moderne, les

peuples inquiets et tourmentés trouveraient la paix dans une brusque transformation de la carte de l'Europe ?

Telles sont les idées qui inspirent notre action dans les négociations qui se poursuivent. Aucun engagement d'aucun ordre ne saurait être pris par nous sans que le Parlement ait été d'abord en mesure de faire connaître sa pensée.

Je crois que notre devoir était d'accueillir l'invitation qui nous était adressée, d'affirmer notre volonté de collaboration pour le maintien et l'organisation de la paix dans la sauvegarde de tous les droits.

Il n'y a pas de tâche plus haute et plus noble que de donner ou de rendre à l'Europe l'ordre, la confiance, la sécurité dans le travail.

La France, je le répète encore, ne connaît ni la haine ni la peur. Elle pense que la collaboration internationale ne peut se fonder que sur la justice.

(v) *French Memorandum, April 10, 1933.*¹

Le Gouvernement de la République a apprécié toute l'importance de la proposition dont le chef du Gouvernement italien a pris l'initiative le 18 mars. Il mesure la valeur qu'aurait, dans l'intérêt de la Paix, la coopération plus étroite de quatre Puissances voisines auxquelles leur qualité de Membres permanents du Conseil impose des responsabilités particulières à l'égard de la Société des Nations et de ses Membres, et qui ont signé en commun les Accords de Locarno. Ayant fait, de l'affermissement de la Paix européenne, le but immuable de sa politique, le Gouvernement de la République est prêt à s'associer activement, dans un esprit de franche sympathie, à tout effort, dont il sera légitime d'espérer qu'il concoure efficacement à ce résultat.

Un tel effort doit nécessairement se poursuivre dans le cadre que tracent, à la politique des quatre Puissances, les engagements qu'elles ont contractés : Accords de Locarno, Pacte de Paris, Déclaration de non-recours à la force, proposée par la déclaration du 11 décembre 1932 et acceptée le 2 mars par la Commission politique de la Conférence du Désarmement ; enfin, et à la base de tous ces engagements, Pacte de la Société des Nations.

Si la stricte observation du Pacte est un devoir pour tous les Membres de la Société, elle s'impose avec une rigueur particulière aux Puissances qui siègent dans le Conseil à titre permanent ; il ne peut donc être question, pour ces Puissances, de déroger en quoi que ce

¹ Memorandum accompanying the French draft of April 10. French Blue Book.

soit aux méthodes et aux procédures prévues par la Charte de la Société.

Celle-ci donne à tous les États la garantie qu'aucune décision les concernant ne peut être prise sans qu'ils y soient associés. Il ne saurait être question, pour les quatre Puissances, d'élaborer des décisions qu'elles chercheraient ensuite à imposer à d'autres. Il ne peut s'agir que d'élaborer des décisions les concernant seules ou de rechercher d'une manière générale, pour les soumettre ensuite aux organes réguliers de la Société des Nations, des procédures, des améliorations ou des précisions concernant tels ou tels articles du Pacte.

Il ne peut d'ailleurs être question d'un choix arbitraire entre ces articles. Le lien qui les unit ne saurait être dissocié. L'article 19 offre le moyen légal, exclusif du recours à la force, d'adapter les traités existants à des situations internationales dont il serait vérifié que le maintien pourrait mettre en péril la Paix du monde. Cet article et ces possibilités ne sauraient être contestés. Mais d'autres principes, qui ne lui cèdent en rien en importance, sont affirmés par d'autres articles. Par exemple, l'article 10 stipule l'obligation de maintenir contre toute agression extérieure l'intégrité territoriale des Membres de la Société ; l'article 16 prévoit des mesures d'ordre économique et militaire contre les États ayant recouru à la guerre en violation de leurs engagements. Si l'on devait assigner à la collaboration des Puissances des objets précis dans les limites du Pacte, le souci d'assurer la pleine efficacité de ces articles ne devrait pas s'imposer avec moins de force que celui de permettre une mise en œuvre éventuelle de l'article 19.

Le Gouvernement de la République ne peut d'ailleurs s'empêcher de souligner qu'à insister en termes généraux sur le principe de la revision, on risque de faire naître des espoirs qu'il serait impossible ensuite de satisfaire, ou de susciter des inquiétudes qui, même injustifiées, ne manqueraient pas de faire obstacle au rapprochement des peuples. Il ne croit pas, en particulier, qu'au moment où, dans une partie de l'Europe, se poursuit une évolution des esprits et des institutions, dont il est impossible de discerner le terme, il convienne de tenter une telle expérience.

Le Gouvernement de la République a témoigné par ses actes du désir qu'il a de voir assurer le succès de la Conférence du Désarmement. La coopération des quatre Puissances devrait avoir pour premier effet de réduire les oppositions qui s'y sont manifestées entre leurs conceptions respectives. La Déclaration du 11 décembre 1932 a prévu l'octroi à l'Allemagne de l'égalité des droits dans un régime assurant,

à toutes les Nations, la sécurité: cette déclaration garde toute sa valeur. Le Gouvernement français s'est d'ailleurs félicité de voir rappeler, dans la proposition italienne comme dans la proposition britannique, que l'égalité des droits ne peut se réaliser que par étapes et conformément aux accords qui devront intervenir à cet effet. Il convient d'y ajouter que ces étapes successives ne peuvent se réaliser que par un désarmement progressif à l'exclusion de tout réarmement.

En déposant un projet de convention, qui reprend une partie des principes inclus dans d'autres propositions, notamment dans la proposition française, et sur lesquels la Commission générale s'est déjà prononcée, la Délégation britannique a fourni une base pratique de discussion, qui doit permettre à la Conférence d'aboutir. Le Gouvernement français s'associera de tout son pouvoir aux efforts qui seront faits dans ce sens, tout en se réservant, ainsi que l'ont fait d'autres Gouvernements, et suivant l'invitation même des représentants britanniques à Genève, de proposer tels amendements ou modifications qui lui paraîtraient indispensables.

Une politique de coopération des quatre Puissances ne saurait se limiter aux questions dont la Société des Nations est saisie. Elle s'appliquera naturellement à toutes les questions qui leur sont communes; elle doit aussi les conduire à se concerter sur toutes les questions d'intérêt commun à l'Europe, notamment sur celles qui concernent la restauration de son économie, et qui sont si pressantes, étant entendu qu'une telle coopération ne saurait être dirigée contre aucun État, quel qu'il soit, qu'elle ne doit exclure aucune collaboration, et qu'il est tout indiqué de la rattacher aux efforts déjà tentés dans ce sens par l'Union européenne.

C'est en s'inspirant des considérations qui précèdent que le Gouvernement de la République, sur la base des propositions des Gouvernements italien et britannique, soumet à leur examen le projet d'accord dont le texte est annexé au présent memorandum.

(vi) *Belgian Aide-Mémoire to the French Government, April 2, 1933.*¹

Le Gouvernement belge considère comme hautement souhaitable, dans les conjonctures actuelles, que les quatre principales Puissances de l'Europe occidentale réalisent entre elles une confiante collaboration. Les Accords de Locarno devraient être l'une des bases essentielles de cette collaboration. Ils constituent la condition primordiale du maintien de la paix dans l'Europe occidentale. Les quatre Puissances en sont avec la Belgique signataires, et c'est dans l'élaboration de ces Accords que leur coopération s'est manifestée la première fois.

¹ French Blue Book.

Le Pacte rhénan n'est pas la seule base de la sécurité de la Belgique. Celle-ci dépend, en outre, du Pacte de la Société des Nations auquel se relie l'Accord de Locarno. La Belgique attache une grande importance à ce que les garanties que la Société des Nations lui procure ne soient pas affaiblies.

Il est désirable que la collaboration des quatre Puissances se développe dans le cadre et conformément aux dispositions du Pacte de la Société des Nations.

Le Gouvernement du Roi a été heureux de constater, d'après les termes du communiqué du 21 mars, que telle avait été l'opinion exprimée par les Ministres français.

Une collaboration entre les quatre principales Puissances de l'Europe occidentale peut parfaitement se concilier avec les dispositions du Pacte. Le régime d'égalité juridique que celui-ci instaure parmi les Membres de la Société des Nations ne supprime pas les inégalités de fait qui résultent de l'influence, des forces et des ressources des États. Le Pacte reconnaît les responsabilités et le rôle particuliers qui incombent aux principales Puissances en leur conférant un siège permanent au Conseil.

A son article 19, il prévoit, d'autre part, la revision des traités dans l'intérêt de la paix. Mais le Pacte l'entoure de garanties dont on ne saurait, sans grave danger, la dissocier. Elle est liée notamment avec l'engagement d'observer scrupuleusement toutes les obligations des traités, de respecter et de maintenir contre toute agression extérieure l'intégrité territoriale et l'indépendance politique des Membres de la Société, de régler pacifiquement les différends qui s'élèveraient entre eux et de ne point se faire justice à soi-même.

Sans qu'on ait eu recours à l'application de l'article 19, plusieurs clauses importantes des Traités de Paix ont subi depuis la guerre une revision; celle-ci s'est opérée à l'amiable, en s'inspirant des circonstances.

Mais autant il est sage d'ajuster de commun accord les engagements internationaux aux conditions nouvelles ou de rechercher le moyen de corriger les inconvénients que leur application aurait révélés, autant il serait périlleux de proposer comme but à la collaboration des Puissances la revision des traités conçue d'une manière générale et abstraite. Adopter un semblable programme exposerait au risque d'affaiblir le respect dû aux traités et de compromettre gravement l'ordre international. Et une semblable action, loin de restaurer la confiance, aurait pour effet de l'ébranler irrémédiablement.

Parmi les principes qui sont à la base du Pacte, il en est un encore qu'il convient de rappeler: c'est la règle fondamentale d'après laquelle

aucune question intéressant un Membre de la Société des Nations ne saurait être résolue en dehors de lui. L'article 4, paragraphe 5, du Pacte dispose que tout Membre de la Société qui n'est pas représenté au Conseil est invité à y envoyer siéger un représentant lorsqu'une question qui l'intéresse particulièrement est portée devant le Conseil.

Au moment où fut élaboré le Pacte rhénan, M. Vandervelde, Ministre des Affaires étrangères, fit inscrire au procès-verbal que, conformément à l'article 4, paragraphe 5, du Covenant, la Belgique serait invitée à prendre part aux délibérations du Conseil, dans tous les cas où l'intervention de celui-ci est prévue par le Pacte rhénan. C'est dans le même esprit qu'au moment où, en 1927, la Belgique cessa d'être représentée au Conseil — dont elle avait fait partie depuis la constitution de la Société des Nations — le Gouvernement britannique nous donna l'assurance que les dispositions du paragraphe 5 de l'article 4 seraient toujours appliquées à la Belgique dans l'esprit le plus libéral si une question intéressant les Accords de Locarno venait à se poser, et il exprima en même temps l'espoir que si des conversations officielles s'engageaient au sujet de l'application de ces accords, le Ministre des Affaires étrangères de Belgique y prendrait part avec ses collègues des autres États signataires. Des déclarations analogues furent faites à Paris, Rome et Berlin. Il est utile dans les circonstances présentes de rappeler cette règle et ces promesses pour qu'elles ne soient pas perdues de vue.

S'inspirant de l'article 4, paragraphe 5, du Covenant ainsi que des faits rappelés ci-dessus, le Gouvernement belge estime devoir demander que, si les quatre principales Puissances délibéraient entre elles sur des questions touchant les intérêts de la Belgique, et spécialement le Pacte rhénan ou les colonies africaines, la Belgique fût associée à ces échanges de vues. Il serait heureux que des assurances lui fussent données à cet égard.

(vii) *French Reply to the Belgian Aide-Mémoire, April 24, 1933.*¹

Le Gouvernement français a pris connaissance avec un vif intérêt des observations suggérées au Gouvernement belge par le projet d'accord entre les quatre principales Puissances et exposées dans le 'Pro Memoria' que le Gouvernement du Roi a bien voulu faire remettre au Gouvernement de la République.

Le Gouvernement belge avait particulièrement relevé, en s'y associant, la préoccupation marquée par les autorités françaises de voir la collaboration des quatre Puissances se développer dans le

¹ French Blue Book.

cadre et conformément aux dispositions du Pacte de la Société des Nations et des Accords de Locarno. Ainsi que le Gouvernement du Roi a pu le constater par l'examen du Projet français de Pacte d'entente et de collaboration, le Gouvernement de la République, dans l'article 1^{er} et dans les paragraphes 3 et 4 du préambule de ce document, a marqué clairement qu'il ne pouvait être question pour les quatre Puissances de sortir du cadre que tracent à leur politique les engagements qu'elles ont contractés et de déroger en quoi que ce soit aux méthodes et aux procédures instituées par le Pacte de la Société des Nations.

Obéissant encore à la même préoccupation, le Gouvernement français s'est référé dans l'article 2 de son Projet à la compétence suprême des organes réguliers de la Société des Nations.

Le Gouvernement belge rappelait très justement de quelles garanties, dont on ne saurait la dissocier, avait été entourée par les signataires du Pacte la procédure de revision des Traités prévue à l'article 19 dans l'intérêt de la paix. Le Gouvernement du Roi n'aura pas manqué de relever la place faite à cette préoccupation dans l'article 2 du Projet français où, après avoir tendu à ramener l'accord projeté dans le cadre de la Société des Nations, l'on marque le lien étroit qui doit unir l'étude des procédures d'application de l'article 19 du Pacte à celle des articles 10 et 16, sans que l'une ou l'autre de ces dispositions puisse être dissociée en vertu d'une discrimination arbitraire.

Le Gouvernement du Roi marquait d'autre part le désir d'être expressément assuré d'une participation de la Belgique à toute délibération des quatre Puissances touchant les intérêts belges. Le Gouvernement de la République ne doute pas que les dispositions des articles 1^{er} et 2 du Projet français concernant les questions qui feraient l'objet des délibérations des quatre Puissances, ainsi que le rappel dans le préambule dudit projet du principe de droit international en vertu duquel il ne saurait être disposé du droit d'aucun État en dehors du Gouvernement intéressé, ne donnent au Gouvernement du Roi tous les apaisements qu'il souhaite si légitimement. Au surplus, celui-ci est-il d'ores et déjà assuré qu'en tout état de cause et indépendamment de tout engagement spécial, le Gouvernement français ne traiterait pas sans la participation du Cabinet de Bruxelles de questions intéressant particulièrement la Belgique et ayant fait à ce titre l'objet d'actes internationaux dont elle serait signataire.

C'est avec une vive satisfaction qu'en remerciant le Gouvernement belge de l'amicale communication du 'Pro Memoria' remis aux autorités françaises, le Gouvernement de la République constate la parfaite concordance des vues des deux Gouvernements.

(viii) *Declaration by the Permanent Council of the Little Entente,
May 30, 1933.*¹

Dans leur communiqué du 23 mars 1933 les trois Ministres des Affaires étrangères des États de la Petite Entente ont posé les principes qui devaient guider leur politique par rapport au Pacte à quatre. Ils disaient :

(a) Toute collaboration d'États qui a pour but de régler les questions qui les concernent exclusivement est souhaitable et salutaire ;

(b) Les États de la Petite Entente ne sauraient reconnaître que l'on sert la cause des bonnes relations entre les différents pays par des accords qui auraient pour but de disposer des droits des tiers, soit par une décision concrète, soit par la pression à exercer sur des pays autres que ceux qui ont conclu ces accords.

(c) Comme on ne peut disposer du bien d'autrui, ni directement ni indirectement, les trois Ministres des Affaires étrangères de la Petite Entente formulaient le 25 mars 1933 les réserves les plus expresses concernant la signature éventuelle de tels accords pour tout ce qui aurait trait à leurs droits et à leur politique.

Vu les nouveaux textes que le Gouvernement français, fidèle à la politique commune de la France et de la Petite Entente, lui a communiqués, ainsi que les amples informations que le Gouvernement de la République n'a cessé de lui donner au cours des négociations en question, le Conseil permanent de la Petite Entente constate les faits suivants :

(a) La première version du Pacte, dont l'esprit était contraire aux principes du droit international et aux droits découlant, pour toutes les autres Nations, du Pacte de la Société des Nations, a été définitivement abandonnée.

Le nouveau texte, communiqué aux trois Ministres des Affaires étrangères de la Petite Entente, est conforme au mémorandum du Gouvernement français en date du 10 avril 1933 établissant le principe que le Pacte à quatre ne peut toucher qu'aux questions qui ont trait exclusivement aux intérêts propres des signataires de cet accord.

Par là, satisfaction a été donnée aux deux objections principales soulevées par la déclaration des États de la Petite Entente en date du 25 mars 1933 ;

(b) Les trois Ministres des Affaires étrangères de la Petite Entente prennent acte des assurances qui leur ont été données par les autres représentants des Puissances occidentales signataires du Pacte éventuel à quatre, par rapport aux limites de l'action qu'ils entendent

¹ French Blue Book.

entreprendre, à l'intangibilité complète de la compétence de la Société des Nations à laquelle les signataires de l'éventuel Pacte déclarent ne songer porter atteinte et enfin aux règles de l'unanimité applicables à l'article 19 du Pacte de la Société des Nations ;

(c) Des garanties formelles ont été données aux États de la Petite Entente par le Gouvernement français, en vertu des engagements mutuels antérieurs, contre toutes tentatives de revision.

Ces garanties sont de telle nature qu'aucun danger pour leurs intérêts, ainsi que pour la politique commune à suivre entre les États de la Petite Entente et de la France, ne pourrait surgir du fait de la signature du traité. De par ces garanties, le Pacte à quatre ne peut devenir un accord qui aurait pour but de viser directement ou indirectement la revision des frontières de leurs pays.

Dans ces conditions, les États de la Petite Entente ayant des garanties suffisantes pour que le Pacte à quatre ne puisse affecter leurs intérêts, espèrent que les décisions des quatre Puissances sur les questions qui leur sont propres pourront les rapprocher mutuellement, renforcer leur esprit de collaboration et ramener le calme en Europe, particulièrement en Europe centrale.

Les trois ministres des Affaires étrangères ont de nouveau examiné le problème de la revision des clauses territoriales des traités de paix. A ce sujet, ils proclament cette fois-ci solennellement et définitivement le point de vue des trois États voulant faire disparaître toute équivoque et pour le présent et pour l'avenir :

1° Ils constatent d'abord l'identité absolue de leurs points de vue à ce sujet comme ils l'ont précisé une fois de plus lors de la signature du Pacte d'organisation de la Petite Entente le 16 février 1933 à Genève ;

2° Ils constatent que la question de la revision de la frontière de leurs pays ne se pose pas pour eux. Néanmoins, par principe, ils ne sauraient admettre qu'une proposition en vue de la revision soit faite à l'égard de n'importe quel pays, le sort des territoires dépendant exclusivement des facteurs constitutionnels responsables et des Parlements en vertu des dispositions des diverses constitutions nationales ;

3° Ils constatent qu'en évoquant la question de la revision on ne fait qu'envenimer les rapports mutuels des États en suscitant des espoirs irréalisables et en faisant ainsi augmenter les obstacles à la normalisation des relations entre les États.

Ayant examiné la situation et l'état des travaux de la Conférence du Désarmement, les trois Membres du Conseil permanent gardent toujours la conviction que les négociations de Genève pourront mener à des résultats positifs.

A ce sujet, les États de la Petite Entente acceptent le plan du Gouvernement britannique comme base des négociations de la future convention et enregistrent avec satisfaction la contribution du Président Roosevelt à l'idée de sécurité, qui néanmoins devra être développée davantage encore dans le sens des dernières décisions du Comité de sécurité, notamment en ce qui concerne la définition de l'agresseur.

Acceptant le principe de l'uniformisation des armées continentales et le principe de réduction du matériel d'armement, ils donnent leur adhésion aux principes de l'égalité de droits qui doit être réalisée par étapes et dans le cadre de la sécurité pour toutes les Nations.

En outre, ils ont décidé d'insister le plus possible sur l'élaboration très précise du fonctionnement effectif du contrôle et de la compétence de la Commission permanente du Désarmement.

Ils sont d'avis que, d'ici la fin de cette année, tous les travaux de la première Conférence du Désarmement doivent être terminés.

(ix) Identic Notes addressed by M. Paul-Boncour, Minister for Foreign Affairs, to the Czechoslovak, Rumanian, and Yugoslav Ministers in Paris, June 7, 1933.¹

Monsieur le Ministre,

A la date de ce jour à été paraphé au nom des Gouvernements allemand, britannique, français et italien le Traité dont une copie est annexée à la présente note.

Soucieux de se conformer aux dispositions du Traité du 11 novembre 1927, par lequel les deux Gouvernements se sont engagés à se faire connaître respectivement les Traités ou Accords qu'ils viendraient à conclure avec des tierces Puissances dans les questions touchant la politique européenne, le Gouvernement de la République a tenu le Gouvernement . . .² amplement informé des circonstances dans lesquelles s'est engagée et des conditions dans lesquelles s'est développée la négociation qui vient de se terminer.

Dans le même esprit, et désireux de lui marquer une fois de plus que le nouveau Traité n'affectera en rien la politique que les deux Gouvernements poursuivent sur la base du Traité qui les unit, le Gouvernement de la République désire attirer l'attention du Gouvernement . . .² sur le texte définitif de l'article 2 du Traité paraphé aujourd'hui.

Cette disposition, qui exclut l'examen du principe de la revision et des cas concrets d'application, pouvant cependant conduire à l'examen de propositions relatives aux méthodes et procédures propres à donner leur pleine efficacité aux articles du Pacte de la

¹ French Blue Book.

² tchecoslovaque/roumain/yougoslave.

Société des Nations, et notamment à plusieurs d'entre eux dans l'énumération desquels figure l'article 19, le Gouvernement de la République désire préciser les principes qui le guideront en ce qui concerne cet article 19.

D'abord, il ne peut s'agir d'introduire aucune question de revision en dehors des règles fixées par l'article 19 du Pacte de la Société des Nations. D'autre part, dans l'éventualité de l'examen d'une procédure applicable au cas où un ou plusieurs États, désirant soulever une question territoriale réglée par traités, se proposeraient de demander à l'Assemblée de délibérer à ce sujet sur la base de cet article 19 du Pacte de la Société des Nations, le Gouvernement de la République n'acceptera aucune proposition qui tendrait à modifier les conditions dans lesquelles, aux termes du Pacte, l'Assemblée peut valablement inviter des Membres de la Société des Nations à procéder à un nouvel examen des traités devenus inapplicables ou de situations internationales dont le maintien pourrait mettre en péril la paix du monde. L'unanimité des Membres présents, y compris les voix des Parties, actuellement nécessaire en application des principes généraux du Pacte, devra donc continuer à être exigée pour que l'Assemblée puisse émettre le vote dont il s'agit.

Agrérez, Monsieur le Ministre, les assurances de ma haute considération.

(x) Identic Notes addressed by the Czechoslovak, Rumanian, and Yugoslav Ministers in Paris to M. Paul-Boncour, Minister for Foreign Affairs, June 7, 1933.¹

Monsieur le Ministre,

D'ordre de Mon Gouvernement, j'ai l'honneur de Vous faire la communication suivante :

En Vous accusant réception de Votre Note en date du 7 juin 1933, j'ai l'honneur au nom de Mon Gouvernement de Vous en remercier très sincèrement.

Continuant la tradition de collaboration intime et d'amitié fidèle qui régit la politique commune de nos deux Pays, Vous avez eu l'amabilité de me communiquer le texte du Traité que Vous venez de parapher avec les Gouvernements allemand, britannique et italien. En même temps, Vous avez bien voulu me transmettre une note qui précise dans quelles conditions et dans quel esprit se sont développées les négociations en question et particulièrement dans quelles conditions l'Article 2 du Traité a été adopté.

¹ French Blue Book.

J'ai l'honneur de Vous faire savoir que le Gouvernement . . .¹ partage entièrement Votre point de vue, en vertu duquel la signature de ce Traité ne pourra d'aucune façon et en quoi que ce soit affecter notre politique commune, qui restera à l'avenir telle qu'elle a été par le passé et telle que la détermine le Traité du 10 juin 1926 conclu entre nos deux Gouvernements. Étant pleinement d'accord avec le Gouvernement de la République que l'Article 2 du Traité, qui vient d'être paraphé, exclut l'examen du principe de la revision et des cas concrets d'application; étant également d'accord au sujet de la règle d'unanimité, y compris les voix des Parties, pour l'application éventuelle de l'article 19 du Pacte de la Société des Nations, le Gouvernement . . .¹ prend acte avec satisfaction du fait que le Gouvernement de la République Française n'acceptera aucune proposition qui tendrait à modifier les conditions dans lesquelles, aux termes du Pacte, l'Assemblée peut valablement inviter les Membres de la Société des Nations à procéder à un nouvel examen des Traités devenus inapplicables ou des situations dont le maintien pourrait mettre en péril la paix du monde. Ainsi que le Gouvernement de la République l'a précisé dans la susdite Note, l'unanimité des Membres présents, y compris les voix des Parties, actuellement nécessaire en application des principes généraux du Pacte, devra donc continuer à être exigée pour que l'Assemblée puisse émettre le Vote dont il s'agit.

Le Gouvernement . . .¹ est également d'accord avec le Gouvernement de la République Française qu'il ne peut s'agir d'introduire aucune question de revision en dehors des règles fixées par l'article 19 du Pacte de la Société des Nations.

En Vous confirmant cette Note et en Vous assurant que les deux Gouvernements sont en parfaite harmonie et en parfaite communion d'idées et d'intentions, je vous prie, Monsieur le Ministre, de bien vouloir recevoir l'expression des sentiments de ma plus haute considération.

(xi) *Declaration transmitted to the Polish Government by M. Paul-Boncour, Minister for Foreign Affairs, June 8, 1933.*²

Soucieux de se conformer aux engagements qui lient les deux Pays, le Gouvernement de la République a, dès qu'il en a été saisi, donné connaissance au Gouvernement Polonais du projet de Pacte que le Chef du Gouvernement italien proposait à son examen ainsi qu'à celui des Gouvernements de Grande-Bretagne et d'Allemagne. La

¹ tchechoslovaque/roumain/yougoslave.

² French Blue Book.

communication du Gouvernement Français s'accompagnait d'un exposé de vues s'inspirant au premier chef de la ferme volonté de ne laisser porter aucune atteinte à la compétence et à l'autorité de la Société des Nations non plus qu'aux droits des autres États. Le Gouvernement Français exprimait en même temps le désir de connaître le sentiment du Gouvernement Polonais sur les questions qui se trouvaient posées. Depuis lors, de fréquents échanges de vues, et notamment la communication du projet de Memorandum Français du 10 avril, ont tenu le Gouvernement Polonais amplement informé des circonstances et des conditions dans lesquelles se développaient les négociations qui viennent de se terminer.

Dans le même esprit, et répondant à des préoccupations qui ont été exprimées au cours de ces échanges de vues, le Gouvernement de la République croit pouvoir attirer l'attention du Gouvernement Polonais sur l'Article 2 du Pacte qui vient d'être paraphé à Rome et dont il a eu l'honneur de lui remettre une copie.

Cette disposition, qui exclut l'examen du principe de la revision et des cas concrets d'application, pouvant cependant conduire à l'examen de propositions relatives aux méthodes et procédures propres à donner leur pleine efficacité aux articles du Pacte de la Société des Nations et notamment à plusieurs d'entre eux dans l'énumération desquels figure l'Article 19, le Gouvernement de la République désire préciser les principes qui le guideront en ce qui concerne cet Article 19.

D'abord, il ne peut s'agir d'introduire aucune question de revision en dehors des règles fixées par l'Article 19 du Pacte de la Société des Nations. D'autre part, dans l'éventualité de l'examen d'une procédure applicable au cas où un ou plusieurs États, désirant soulever une question territoriale réglée par Traités, se proposeraient de demander à l'Assemblée de délibérer à ce sujet sur la base de cet Article, le Gouvernement de la République n'acceptera aucune proposition qui tendrait à modifier les conditions dans lesquelles, aux termes du Pacte, l'Assemblée peut valablement inviter des membres de la Société des Nations à procéder à un nouvel examen des Traités devenus inapplicables ou de situations internationales dont le maintien pourrait mettre en péril la paix du monde. L'unanimité des membres présents, y compris les voix des Parties, actuellement nécessaire en application des principes généraux du Pacte, devra donc continuer à être exigée pour que l'Assemblée puisse émettre le vote dont il s'agit.

En faisant au Gouvernement Polonais la présente déclaration, le Gouvernement de la République est heureux de pouvoir marquer une

fois de plus au Gouvernement Polonais son souci de ne laisser affecter en rien la politique que les deux Gouvernements poursuivent sur la base des traités qui les unissent.

(xii) *Speech by Signor Mussolini, June 7, 1933.*¹

The idea of a pact of collaboration and understanding between the four Western Powers took shape in my mind after the conclusion—a more or less negative conclusion—of the first phase of the Disarmament Conference last summer. In October I hinted at it in Turin at a demonstration which was memorable not so much for the things which I said as for the immense gathering which heard them, and decisively revealed the true spirit of that city, cradle of the Royal House of Savoy. The idea appeared to me to be of still more urgent interest at the beginning of March, when the panorama of European politics seemed more gloomy for a variety of reasons, not the least of which was the lack of progress achieved in the second phase of the Disarmament Conference. Such is what I will call the personal genesis of my proposal and is of only secondary importance.

What I will call the objective genesis of the pact is different. As was made clear both on the occasion of its presentation and subsequently, and as is plain from the text itself, the pact is closely allied to, and is intended to constitute a continuation and a development of, those international pacts—first and foremost that of Locarno—which are an expression of the spirit of understanding and collaboration between States, to the exclusion of any idea of rival groupings or of rigid political antagonisms. The Locarno Pact was initialled in October 1925. The Four-Power Pact constitutes its logical and necessary development. The Locarno Pact is a milestone in the process of European reconciliation. It aims at satisfying—in the words of its text—‘the desire for security and protection which animates the peoples upon whom fell the scourge of the War of 1914–18’. In the Pact of Locarno the position of the Four Powers was clearly defined, thus establishing a premise from which in the course of time definite consequences could result. In the years which have followed its conclusion, European policy has often—too often—drifted away from its basic idea.

It is now time that the four Western Powers, returning to the principles which inspired the agreements of 1925, should solemnly bind themselves to collaborate, to concert together and to understand one another on all questions which concern them; and, further,

¹ In the Senate. *Corriere della Sera*, June 8, 1933. Translation prepared by the Information Department.

pledge themselves to do everything within their power to carry out a policy of effective co-operation with one another and with other Powers. It is precisely this pledge that the new pact formally records in the first article, which constitutes its fundamental point, and from which the subsequent articles follow and with which they are closely bound.

The first outline of the pact was that which was published in the newspapers. I say at once that the draft was in such a form that it allowed of, in fact necessitated, a subsequent and more complete elaboration, without, however, departing from the fundamental principles laid down by me as the basis of the pact, with a view to bringing it closer to reality, and rendering it more concrete in its clauses and in its durability than other pacts, the objects of which were more general. The first elaboration of the outline was carried out on March 17-18 during the welcome visit of Mr. MacDonald and Sir John Simon to Rome. The two English ministers accepted from the first the political essence of the pact. A later elaboration took place in Paris, and subsequently it was upon this French version that the negotiations were carried on with a view to reconciling in a final text the points of view—not always in harmony—of the four interested Powers.

Much of the opposition aroused by the Pact results from reactions of a sentimental character rather than from a careful examination of the reality. There is no question of setting up by treaty a definite and immutable hierarchy of the Powers. The existence of such a hierarchy, in so far as the four States of Western Europe are concerned, is a matter of historical fact; but hierarchy does not necessarily signify supremacy or a directory which would impose its will upon others. In the League of Nations itself, an organism inspired by orthodox ideas of democracy and equality, a hierarchy was set up by the Covenant, or Statute of the League, in accordance with which some States were to have, and have, a permanent seat on the Council, others were to have, and have had, a semi-permanent seat, while others share the remaining seats in turn. The States which thus possess a permanent seat at the League are precisely the four States of the West—England, France, Germany, and Italy. These States, therefore, permanently enjoy, in accordance with the Statute of the League, the possibility of direct action, and thus possess greater responsibilities both as regards themselves and the world. Upon the more or less cordial state of their relations depend likewise the tranquillity and peaceful progress of the other States.

The 'political' articles of the pact are three, or, to be more precise,

besides the first, which I have already mentioned, the second and the third articles. It is easily understood that their elaboration required much time and much discussion. Reference to Article 19, which envisages the possibility of a peaceful revision of the Treaties, has been included together with mention of Articles 10 and 16 of the Covenant. It was on this point that the greatest opposition was encountered. At the beginning and during the course of negotiations, just as at the end, the greatest difficulty arose over Article 3, which relates to disarmament. The question of revision of the treaties is inscribed in the Covenant of the League of Nations under Article 19. Other pacts complementary to the Covenant have referred to it and have emphasized this or that other principle. The Four-Power Pact, on the other hand, refers to all the principles laid down in the Covenant of the League of Nations and in the pacts which have followed it, and makes special mention of Article 19. The object of this is the restoration of the balance between all the articles of the Covenant, which is indispensable if you intend to carry out a work which is to be constructive and durable.

A noisy anti-revisionist campaign is at the moment being carried on in some countries, but those responsible for it forget the admissions made by Dr. Benes, in the comprehensive speech which he recently delivered to the Parliament in Prague. The Minister for Foreign Affairs of the Czechoslovak Republic has thus made a breach,¹ however small, in the blank wall of opposition to the principle of revision. In his speech, which I have carefully read as the importance of its contents and the political position of the speaker deserve, Dr. Benes did not declare himself as anti-revisionist for all time, but made any attempt at revision subject to certain preliminary conditions, namely: A moment of general tranquillity, the possibility of mutual concessions and the effectiveness of the revision suggested.

Neither in my original scheme, nor in those which succeeded it, was there any question of the Four Powers imposing any such revision of the Treaties by force. Since the end of the World War—as after all those which proceeded it—a process of adaptation of the Treaties of Peace has been taking place. It would be useless, as well as dangerous, to hide from oneself the existence of such a process, or the fact that it has proceeded in spite of difficulties much more serious than would have existed in an atmosphere of greater mutual confidence and understanding. The rigid attitude adopted and maintained by some countries during the years since 1919 has created an

¹ The original text reads: '... ha aperto uno spiraglio revisionista nel muro della negazione dogmatica di ogni principio di revisione.'

atmosphere of tension; the process of adaptation and revision has taken place almost automatically, compelled by the force of situations sometimes disturbing to stability in Europe, but without resulting in the fundamental amelioration, either in the relations between States or in the general situation, which it was the essential object of that revision to produce.

It has been affirmed by some that the wording of the pact, as it is going to be initialled to-day, is very different from the original text. I have already said that this was in a certain sense inevitable, but a careful examination of the text will reveal that the fundamental principles have remained unchanged. For example, the pledge to carry on a policy of collaboration between the Four Powers and with other States is laid down in the first article; such also is the case (Article 2) with the mention of Article 19, which envisages the possibility of a fresh examination of treaties which have become inapplicable, and, finally, with the treatment of the question of disarmament in the event of the Conference not succeeding in its aims (Article 3).

Agreement on Article 3, which concerns disarmament, took long to achieve. The reasons for this were various. I should, perhaps, mention particularly the complicated elements inherent in that question—either of a technical character or of substance—which aggravated the difficulty of reaching agreement between the Prime Ministers and Ministers of France, Germany, and Great Britain, who did not participate directly in the discussions. According to the formula agreed upon, the four Governments reaffirm in Article 3 their willingness to do everything within their power to bring the Disarmament Conference to a successful issue. The Declaration of December 11, 1932, regarding the equality of rights of Germany and of the other States disarmed by the Treaties, must have the full effectiveness which is implied in the Declaration itself.

It is clear that if the Conference does not succeed, a situation may result as serious as it will be intolerable. Such a suggestion can be made only to be dismissed immediately; but since in spite of everything this eventuality may take place, the Pact allows and makes provision for it.

Article 3, therefore, lays down that France, Germany, Great Britain, and Italy will undertake between them the examination of questions which the Conference does not settle, though naturally with the respect due to the interests of other States, and for this purpose will apply the Pact of Understanding and Collaboration with a view to assuring their solution in the appropriate manner. The principle of

consultation and collaboration laid down in Article 1 of the Pact finds, therefore, specific application in Article 3, and the Four-Power Pact thus offers many guarantees of peace to all European States, and thus stands out as a factor of great importance in the solution of the complex problem of disarmament.

The Pact has a duration of ten years and may be renewed without limit of time. This idea of the non-limitation of its duration implies the necessity of the progressive adaptation of the Treaties to the exigencies of new political and economic realities. Were Germany to be compelled to remain eternally disarmed, the recognition of her parity of right would be an irony, and her position as an equal among equals on the Council of the League of Nations would be reduced to a mere fiction.

I said just now that a careful examination of the original project and of the final text reveals that the fundamental principles have remained unaffected. Naturally, the definitive text is more formal and precise than the original draft. It will suffice to compare the articles of the first and final drafts.

Article 1 of my project read:

‘The four Western Powers, France, Germany, Great Britain, and Italy, undertake to carry out between them an effective policy of co-operation in order to ensure the maintenance of peace in the spirit of the Kellogg Pact and the “No Resort to Force” Pact, and undertake to follow such course of action as to induce, if necessary, third parties, as far as Europe is concerned, to adopt the same policy of peace.’

Article 1 of the Pact as initialled reads:

‘The High Contracting Parties will consult together as regards all questions which appertain to them. They undertake to make every effort to pursue, within the framework of the League of Nations, a policy of effective co-operation between all Powers with a view to the maintenance of peace.’

Article 2 of my project read:

‘The four Powers confirm the principle of the revision of treaties, in accordance with the clauses of the Covenant of the League of Nations, in cases in which there is a possibility that they will lead to conflict among the States. They declare at the same time that the principle of revision cannot be applied except within the framework of the League and in a spirit of mutual understanding and solidarity of reciprocal interests.’

Article 2 of the Pact as initialled reads:

‘In respect of the Covenant of the League of Nations, and particularly Articles 10, 16 and 19, the High Contracting Parties decide to examine between themselves, and without prejudice to decisions which can only be taken by the regular organs of the League of Nations, all proposals relating to methods and procedure calculated to give due effect to these articles.’

Article 3 of my project read:

‘France, Great Britain, and Italy declare that in case the Disarmament Conference should lead to only partial results the equality of rights recognized for Germany shall have a practical value, and Germany undertakes to realize this equality of rights by stages which will be determined by successive agreements among the four Powers through the usual diplomatic channels.

The four Powers undertake to reach similar agreements with regard to Austria, Hungary, and Bulgaria.’

Article 3 of the Pact as initialled reads:

‘The High Contracting Parties undertake to make every effort to ensure the success of the Disarmament Conference and, should questions which particularly concern them remain in suspense on the conclusion of that Conference, they reserve the right to re-examine these questions between themselves in pursuance of the present agreement with a view to ensuring their solution through the appropriate channels.’

The fourth paragraph of the preamble refers to and confirms the Kellogg Pact and the principle of the ‘No Resort to Force’ Pact contained in the Declaration of December 11, 1932, the fundamental part of which is the recognition of the principle of the parity of rights in the case of Germany, as well as the other States, disarmed by the Treaties.

The original draft registered a political idea in an essentially political form. The agreed text, besides taking into account and reconciling the preoccupations and desires of the various parties, represents an agreement in legal form, but everything which it was important to maintain and confirm has been maintained and confirmed in the final text.

Is it necessary for me to repeat that the pact is not directed against any one? There is no suggestion of imposing anybody’s will on anybody else; it sets up principles, lays down procedure, confirms and develops existing pledges and establishes some new ones. It

renounces any idea of rival groups or rigid political antagonisms, and aims at safeguarding and reconciling the interests of each individual State with the supreme interest of all, the consolidation of peace and the possibility of reconstruction.

Perhaps I may now say something of the contribution to the negotiations made by individual States, and especially of the spirit in which negotiations were carried on. From the very first moment Mr. MacDonald and Sir John Simon realized the possibilities of the Pact. In our conversations, first at the Palazzo Venezia and then at the British Embassy, and in discussions which were prolonged until a late hour of night, the original scheme was subjected to a detailed examination, but the essence of the Pact was never in question.

The immediately favourable attitude of the British Prime Minister and the Foreign Secretary—an attitude which found an eloquent and courageous expression in the speech delivered by Mr. MacDonald in the House of Commons some days later¹—decided the fate of the Pact. In the subsequent phases, the action of the Foreign Office was always vigilant and well-timed, guided by the fundamental principle of British policy during that period, namely, collaboration with Europe that peace might not be disturbed. It would not be out of place to add that it was from the Foreign Office that two weeks ago was sent out the invitation to accelerate the tempo of the negotiations with a view to concluding them, if possible, before June 12, the date fixed for the opening of the World Economic Conference in London.

By reason of their situation and of the natural factors which characterize them, England and Italy are called to maintain a balance in Europe. It was owing to this that the Locarno Pact assigned them a special function, and this balance finds in the Four-Power Pact a new expression and a new possibility of fruitful and constructive developments.

Tendentious and contradictory reports have been spread concerning the attitude of France towards the Four-Power Pact. The truth is different. M. Daladier did not oppose a *fin de non-recevoir* to the initiative taken by the Italian Government. No one can be surprised that the French Government wished carefully to weigh the pros and cons of the project. The fact is that the French Government clothed in formal and precise garb the principles contained in the Pact, which are recognized as apt to assure for a sufficiently long period of years the peace and tranquillity of Europe.

France, by reason of her geographical situation and the ideals and

¹ See above, p. 250.

interests which she represents in Europe and in the world, cannot pursue a policy of isolation. Like England, Germany, and Italy she constitutes a fundamental element of progress and of peace. By adhering to the principle of collaboration laid down in the Pact, she not only serves her own interests, but makes an effective and precious contribution to the reconstruction of Europe.

One must recognize loyally that the French Government has fought strenuously against the stream, that is against the interests, sentiments, and preoccupations existing in the French mind, and has overcome these obstacles because it was firmly convinced of the soundness of the principles upon which the Pact is based. France has furnished an example of collaboration in the European sphere, of which full recognition is due to her. In the better atmosphere created by the Four-Power Pact, it is perfectly possible to achieve prompt liquidation, already sponsored by M. Herriot, of the particular questions which separate France and Italy and of others outstanding between France and Germany.

Once, after the signature of the Pact, a new situation of mutual confidence and collaboration has been established, the questions outstanding between France and Italy will assume in the orbit of European politics a different character from that which they have possessed till now, and the easier will become the possibility of their solution.

The attitude of Germany has been inspired by an equally live desire for collaboration. There was a time when a prejudiced campaign pursued by the discomfited victims of the National Socialist revolution had conjured up the spectre of war, but the great speech delivered by Hitler on May 17—a speech as courageous morally as its political effects were soothing—immediately cleared up the situation. Germany desires peace and not war—a constructive peace at home and abroad. This was the central point of his speech, in which also he gave explicit adherence to the Four-Power Pact. By this adherence, by the broad-minded collaboration given in the elaboration of the Pact and by the authorization sent to the German Ambassador an hour ago to place his initials below it, Hitler has given concrete and tangible proof of the intentions by which his Government is animated.

In harmony with the same principles, speeches were delivered by Goering, who in Düsseldorf declared that the Germany of the Third Reich would be the bulwark of peace, and by Hitler on the occasion of the election in Danzig. The will to peace of Germany has, therefore, been solemnly reaffirmed. One must remember that the revolution

in progress in Germany is a fundamental one, not only national but social in character, and that to pretend to judge it by the standard of pre-War Germany is, to say the least of it, very foolhardy. It is a revolution of the people carried out by men who are the products of the War and of the people. It is not a *coup d'État* that comes from above; it is a declaration by 20,000,000 Germans. With regard to the international aspect, I reaffirm what I said on another occasion in this Chamber: 'Germany lies in the heart of Europe with her imposing mass of 65,000,000 inhabitants; with her history; her culture and her needs. A policy which is truly European and which aims at the maintenance of peace in Europe cannot be carried out without Germany or still less against Germany.' The more Germany orientates her international action according to the essential points of the programme contained in the speech delivered by Hitler, the less it will be possible to carry out such a policy.

I will not dwell upon the part played by Italy in the Pact. The Italian initiative was due to the reasons I explained to you in the beginning. It is the categorical and indisputable affirmation of our desire for collaboration and peace. During the conversations the Ministry of Foreign Affairs performed a valuable service in co-ordinating the discussion and helping to overcome difficulties which arose, and here may I also be allowed to congratulate in the presence of this noble assembly the ambassadors of France, Germany, and Great Britain for the truly assiduous efforts made by them during the course of the negotiations.

I would not wish to omit mention of the important adherence of Belgium to the Four-Power Pact. The Pact is of direct interest to States with which for some years we have pursued a policy of sincere and firm friendship; I speak of Austria and Hungary in the Danubian basin, and of Turkey and Greece in the Eastern Mediterranean. It is of equal interest to another great State, the Union of Socialist Soviet Republics, with which we have recently concluded a Treaty of Commerce.

Some have sought to read into Article 4 (which deals with collaboration in the economic field) a tendency, potential only though it may be, towards the establishment of a united front. I now, therefore, wish to declare formally that no such idea has entered into the thoughts of the Italian Government or of the other States signatories to the Four-Power Pact. I wish also to repeat that in the provisions of the Pact there is inherent the idea of collaboration with all other States, great and small, European and extra-European, and in particular with the United States of America, without whose vigorous

and practical co-operation a stable and constructive work of political pacification and world economic rehabilitation is impossible.

The Italian Government, when inviting the Four Powers parties to the Locarno Pact to collaborate together and, with other States, to realize a constructive policy of peace, wished that in the troubled conditions existing in Europe a work at the same time of lofty idealism and political realism might be achieved. The Italian Government aimed at creating and is seeking to create a new political atmosphere, in which questions of a political or an economic order, as from time to time they arise by reason of the natural progress of events, might be examined without prejudice and find a solution in accordance with their merits and the interests of all.

The Fascist Government encountered in the other Governments both understanding and a ready response to its desire to bring the negotiations to a successful conclusion. It is fully conscious of the difficulties which at present exist in Europe in the political as well as in the economic sphere, and measures the value of a sincere policy of collaboration not only by the good effects the solution of these difficulties would have, but also by the inevitable and progressive aggravation of these difficulties, should such a policy of collaboration not be carried into force. It is clear that the rapidity with which the Four-Power Pact will yield results will depend largely upon the effectiveness with which it functions. One should not, of course, believe that no more differences will arise or that differences will be cured by magic. I have already discarded any such optimism. As I have said, the Pact has been created precisely in order to provide a possibility of settling questions which, as a result of the situation, from time to time arise. For this reason the Pact must be brought into operation without delay and as a complement to normal diplomatic relations, and periodical meetings, more or less frequent as the situation requires, should take place between those directly responsible for the foreign policy of the four States. Far from being an injury, this methodical collaboration between the permanent members of the Council will form a valuable contribution to the League of Nations.

The Pact of which I have spoken to you has not yet been perfected, for after the initialling must come the signature, then, in countries where it is necessary the approval of parliament must be obtained, and finally the exchange of ratifications must take place, after which the Pact will become operative. I say operative not so much in regard to its clauses as in regard to the spirit which permeates it—a spirit which puts an end to a chapter of post-War

history and begins a new chapter; a spirit which must guarantee ten years of peace to Europe during which the harassing and complex problems of a national or international nature will be settled.

It is to be noted that the negotiations of the Four-Power Pact have been followed in all countries with profound interest and, at certain times, with real anxiety. Its conclusion will provoke more or less interesting discussions in professional political circles, but it will be welcomed with satisfaction by the multitude, who, farther from artifice and closer to the realities of life, feel and perceive the moral import of events which may be called historical.

4. GERMANY'S WITHDRAWAL FROM THE DISARMAMENT CONFERENCE AND THE LEAGUE OF NATIONS¹

When the Disarmament Conference adjourned on June 30 it empowered its President, Mr. Arthur Henderson, to continue private negotiations in an endeavour to reach an agreement on some of the points outstanding which were impeding the progress of the Conference. A visit by Mr. Henderson to the London Economic Conference, and also a series of interviews in the capitals of the Great Powers during the latter part of the summer, produced little effect, and throughout the summer and autumn the European situation grew steadily worse.

Little or no effort was made on the part of Germany to hide the fact that morally and physically she was rearming, and the effect of this was not lost upon the French Government, which became increasingly nervous and inimical to any further measure of disarmament.

On October 6 the German Government addressed to the Governments of Great Britain and the United States an *aide-mémoire*² setting forth their view of what should be done to implement the Five-Power Declaration of December, 1932, at any rate in so far as German equality was concerned. The offer contained in the *aide-mémoire* adhered fairly closely to the previous proposals of Dr. Brüning and Herr von Papen except in one particular aspect. For the first time Germany made the claim for freedom to possess some quantities at least of all the arms allowed to the other Powers. The *aide-mémoire* concluded: 'merely to increase the quantity of arms allowed by the Treaty of Versailles by doubling the figures fixed in the Treaty would mean a discrimination which Germany cannot accept and would not satisfy her need for security. Germany wishes either to have full liberty or to be subjected to the same qualitative restrictions as other countries.'

There followed a series of desperate negotiations and conversations at Geneva in which an effort was made to persuade the Germans to modify their point of view. On the other hand, the French Government, with the eventual approval of Great Britain, Italy, and the United States, agreed on a new policy which involved the modification in one important aspect of the British Draft Disarmament Convention. It was proposed to increase

¹ See *Survey for 1933*, Part II, ii; also *The Deadlock in Disarmament*, Ch. ix.

² See below, p. 279.

the period of transformation for which provision was made in the Draft Convention from five to eight years, of which the first four should be a 'probationary' period, during which there should be limitations but no disarmament by the armed Powers, while the *Reichswehr* were to be reorganized on a short-service basis, both limitation and reorganization being under the supervision of an International Disarmament Commission. The modified plan was decidedly vague as to the disarmament which was to be carried out by the armed Powers during the second period of four years, but it was quite explicit that during the whole period of eight years there was to be no rearmament by Germany of any kind.

These Four-Power proposals were taken to Berlin by Herr Nadolny on October 12 and were submitted to the Chancellor and the German Cabinet on the following day. Before he left, however, Herr Nadolny had informed the other delegates that the terms were unacceptable to Germany.

At Geneva, however, the Four Powers proceeded with their plan, and on October 14 Sir John Simon, speaking for all, formally proposed the modification of the British Plan for adoption by the Bureau of the Conference.¹ He was followed by Mr. Norman Davis² and by other delegates who expressed their approval and support of the new proposals.

Before the Meeting of the Bureau closed, however, a telegram was received from Baron von Neurath,³ the German Foreign Minister, announcing that in view of the inacceptability of the proposals submitted to Germany, that country had no other alternative than to withdraw from the Conference. Simultaneously in Berlin by means of proclamations⁴ by the Chancellor and the German Government it was announced that Germany would withdraw also from the League of Nations, that the Reichstag was dissolved, that new elections would be held on November 12, and that on the same date there would be a referendum in which the German people would be asked to declare whether they approved the foreign policy of the Government or not. The whole situation was placed before the country on October 14 by the Chancellor in a broadcast speech of great force and eloquence,⁵ and explained to the representatives of the Foreign Press in Berlin by the Foreign Minister two days later.⁶ A statement⁷ was made in the House of Commons on November 7 by the Foreign Secretary on the international situation, more especially as regards the question of disarmament, which he described as 'undoubtedly serious and deplorable'. He then surveyed the whole course of negotiations which preceded Germany's withdrawal from the League and defended British policy.

There followed a period of waiting until after the German elections and referendum of November 12, which showed, as was expected, an overwhelming majority in favour of the Government.⁸ The campaign for both had been carried on the programme of peace and equality, and the Chancellor was anxious to demonstrate to the several Powers which might

¹ See below, p. 281.

² See below, p. 284.

³ See below, p. 285.

⁴ See below, pp. 286-7.

⁵ See below, p. 289.

⁶ See below, p. 294.

⁷ See below, p. 298.

⁸ In the vote for the referendum 95.1 per cent. of the valid votes were in favour of the Government's policy. In the Reichstag elections 92.2 per cent. were in favour of the Government. 95.2 per cent. of the Electorate went to the polls, 2,101,004 votes were cast against the Government, and 750,282 ballot papers, an unprecedented number, were found to be invalid.

naturally be assumed to be antagonistic to Germany his pacific intentions. Herr Hitler reaffirmed the Locarno promises of Germany to Poland; endeavoured to get on better terms of relationship with Czechoslovakia, and in an interview¹ given on November 16 to M. Fernand de Brinon on behalf of *Le Matin* he proclaimed his desire to work in amity and friendship with France. In a sense this was a reply to M. Paul-Boncour, who on November 14² had stated that the changes which had prompted the French policy of *rapprochement* had been completely wiped out.

Both France and Germany, however, were more than anxious to learn what attitude Great Britain would adopt towards the situation created by the withdrawal of the latter from the Disarmament Conference and the League of Nations, and considerable importance was attached both in Europe and in England to the speeches made in the House of Commons by Sir John Simon on November 24³ and Mr. Stanley Baldwin on November 27.⁴ In these two speeches the Foreign Secretary and the Lord President of the Council endeavoured to explain the attitude of Great Britain towards Germany and France.

(i) *German Aide-Mémoire, October 6, 1933*⁵

1. Le gouvernement allemand accepte toujours de prendre pour base le projet britannique. Il estime raisonnable la proposition d'une convention qui serait signée pour une durée de cinq années, telle qu'elle est exprimée dans ledit projet.

Mais il est impossible au gouvernement allemand d'accepter la proposition relative à la période d'essai. Il ne présentera aucune objection contre le fait que le désarmement projeté serait accompli par étapes et ce pour des motifs d'ordre pratique relatifs à la désaffectation du matériel. Il serait possible que le terme de la première étape fût fixé à deux ans après la signature et celui de la seconde étape à trois années après le terme de la première étape. Le gouvernement allemand serait dans l'obligation de réclamer que le principe de l'égalité des droits soit appliqué dès que serait en cours d'exécution la première étape.

2. L'Allemagne est disposée pour donner une preuve de sa volonté de conciliation à entreprendre sans délai la transformation de la Reichswehr en une armée formée de contingents recrutés pour des périodes courtes. Mais le gouvernement du Reich ne pourra donner d'indications précises relativement à la qualité et à la quantité du matériel de cette nouvelle armée qu'au moment où seront connues les stipulations concrètes de la convention au sujet du matériel.

3. Le projet britannique fait état de trois catégories distinctes

¹ See below, p. 314.

³ See below, p. 316.

² See below, p. 310.

⁴ See below, p. 322.

⁵ As published in *L'Europe Nouvelle*, October 21, 1933.

d'armes terrestres : (i) les armes qui seront absolument prohibées dans l'avenir ; (ii) les armes dont la quantité sera limitée ; (iii) les armes que les puissances seront autorisées à détenir sans limitation d'aucune sorte.

En ce qui concerne la première catégorie, l'Allemagne est disposée à accepter que soit édictée n'importe quelle interdiction concernant une arme quelconque à la condition expresse que cette interdiction fasse l'objet d'une application générale. L'Allemagne est prête à renoncer en outre à toutes les espèces d'armes que possèdent en ce moment les nations armées, à la condition : (i) que ces nations s'engagent de leur côté à détruire ces armes dans un délai qui ne devrait pas être long et en tout cas ne devrait pas excéder la durée de la convention ; (ii) que l'usage de ces armes soit interdit à l'avenir.

Le gouvernement allemand est désireux d'être informé le plus rapidement possible de la désignation précise des armes que les puissances les plus directement intéressées ont l'intention d'interdire et de détruire.

En ce qui concerne la seconde catégorie, il est prévu, d'après le projet britannique, que certaines espèces d'armes seront limitées et qualitativement et quantitativement. Le gouvernement du Reich voudrait connaître le plus rapidement possible comment ces espèces d'armes seront définies et discriminées et quelles seront les limites quantitatives imposées. En application du principe de l'égalité des droits, l'Allemagne devrait être autorisée dès la première période d'exécution de la convention à posséder les diverses espèces d'armes que les autres puissances seraient autorisées à détenir en quantité déterminée. Seule resterait soumise à la discussion la quantité précise que l'Allemagne serait autorisée à détenir d'armes de cette catégorie.

4. En ce qui concerne la troisième catégorie (armes qui ne seront limitées ni d'un point de vue quantitatif, ni d'un point de vue qualitatif) le gouvernement du Reich estime qu'il ne saurait être question d'une limitation quelconque pour l'Allemagne si aucune limitation n'est prévue pour les autres puissances.

Si la convention future contient des limitations non prévues à ce jour, le gouvernement du Reich sera toujours d'accord pour ces limitations à venir à la condition que leur application soit faite sur un pied d'égalité.

L'augmentation pure et simple de la quantité des armes que le Traité de Versailles autorise l'Allemagne à posséder (par exemple la multiplication par deux des chiffres fixés par ce traité) correspondrait à une discrimination que le gouvernement du Reich ne veut pas

accepter, car une telle méthode n'est nullement convenable à donner satisfaction au besoin que ressent l'Allemagne d'assurer sa sécurité. Ce besoin exige que l'Allemagne soit, ou absolument libre comme les autres pays, ou soumise aux mêmes restrictions qualitatives.

(ii) *Statement by the Rt. Hon. Sir John Simon, October 14, 1933*¹

Mr. Henderson has invited me to give some account of the conversations to which I have been a party from time to time during recent weeks both at Geneva and elsewhere, and in which the participants have attempted to ascertain by means of a friendly exchange of views what are the prospects of reaching agreement on various vital matters. I will do the best I can to comply with the President's request. I feel that I should speak plainly and frankly, for the time has gone by for glossing over difficulties by vague optimistic phrases. A system of agreed disarmament promptly entered into and loyally carried out would, I believe, be of the greatest value to the world; but I am equally clear that nothing is gained by interminable discussions which do not face essential matters on which differences may still exist.

The account which I have to render is as follows:

So far as the United Kingdom representatives are concerned, we have taken part in meetings at different times with the French, German, Italian, and American representatives, as well as in a number of talks with the representatives of some other Powers. These conversations have led me to take the view that the Draft Convention which the United Kingdom Government put before the General Commission over six months ago, and which has been unanimously adopted as the general framework for the proposed agreement, will require to be in some respects recast. The Draft Convention is at present drafted to cover a period of five years; the discussions which I am summarizing indicate on the part of some Powers a wish that the period should be extended to perhaps eight years, and, so far as I recall, no serious objection to this extension has been raised.

It was further proposed that this period of eight years should be occupied by the fulfilment of a continuous programme, designed to secure at the end of the period two essential conditions:

- (a) A substantial measure of disarmament actually realized and completed on the part of the heavily-armed Powers, and
- (b) The achievement of the principle of equality in a régime of

¹ To the Bureau of the Disarmament Conference. British White Paper, Cmd. 4437.

security which, ever since December of last year, has been the declared objective, not only of the powers who signed the declaration of December 11, but of the Disarmament Conference itself.

But in order to attain this it is necessary to proceed by steps. Indeed, the method of stages has from a very early date been adopted as the necessary method by the general vote of the Conference. And when I speak of a programme which would gradually unfold in action so as to secure at the end of the period these two essential conditions, I recall the language of Mr. Henderson in his report to the Bureau on October 9 last, when he declared 'on some of the more important questions the approach is manifestly influenced by the present unsettled state of Europe and the ensuing distrust, fears and alarms'. The present unsettled state of Europe is a fact, and statesmen, in drawing up their plans, have to face facts. The need, therefore, for modifying the Draft Convention so as to accomplish this purpose by a process of evolution is clearly established.

The scheme, therefore, which emerged for consideration as the result of a number of these interviews was one in which the proposed period of eight years would begin with the transformation of continental armies on the lines set out in the British draft, together with the setting up, through the medium of the Permanent Disarmament Commission, of an adequate system of supervision, so that the sense of security which the due observance of the Convention will afford should provide the groundwork for the practical attainment of the two ideas of disarmament and equality. Mr. Henderson has suggested that the Permanent Disarmament Commission might be set up as soon as the Convention is signed without waiting for ratification. If this suggestion is found feasible it ought to be welcomed, for it aims at shortening the period when actual disarmament and attained equality would be effectively reached. It is understood on all hands that the supervision contemplated would be of general application. Its purpose would be to insure that the undertakings contained in the Convention were being loyally observed. It is a matter for close consideration to determine how much of eight years would be needed for the initial steps to which I have referred. Transformation of armies involves technical questions which will govern the time limit, and in the meantime a real feeling of confidence should develop when it is seen that the whole plan is agreed to and is in due process of execution. Without binding myself finally to the length of this first stage, I report that the period of four years was mentioned by several govern-

ments, though others have raised the question whether it could not be somewhat shortened.

Whatever the length of this first stage may be, it is essential to make clear that the Convention itself would have to contain at the time of its signature the detailed scheme of disarmament provided for as the final result to be attained by the time its full period of, say, eight years comes to an end. I have described that disarmament as 'substantial', and the extent of it has been the subject of detailed discussion. Since general phrases will not advance matters, I add that by 'substantial' disarmament is meant either the disarmament provided for in this Draft Convention or some comparable variation of it. I say quite definitely that the whole scheme would not be satisfactory to my Government, and we could not lend our own support to it, unless the degree of disarmament by the heavily armed Powers is both fully defined in the Convention and really adequate. But there is another feature in the second stage of the plan which is equally definite—it is this: the results of the abolition of various kinds of armament and of prohibition against their further use will be to constitute a common list of permitted arms which would become the same for all countries, and thus the differential position of the Powers whose armaments were limited by the Peace Treaties would finally cease. Quantities and other detailed regulation would, of course, be in each case the subject of negotiation and agreement.

The Bureau will, therefore, see that the plan I have outlined is one which, if it were adopted and loyally observed, would bring into practical operation the principle of equality of status by the method of substantial disarmament on the one hand, and the application to all countries of a common list of prohibited arms on the other hand.

But this programme involves a feature which appears to me to be essential. I must state it with complete frankness to the Bureau—the scheme involves the principle that the Powers now under restriction of the Peace Treaties should not begin to increase their armaments forthwith but should express their willingness to conform to a time-table such as I have indicated. The Government of the United Kingdom take the view that agreement could not be reached on the basis of a convention which would provide for any immediate rearmament. In speaking of 'no rearmament' I do not mean to dispute the reasonableness, as the *Reichswehr* is transformed into a more numerous short-service army, of a proportional numerical increase in its armament. And there should be from the beginning of the Convention an agreement that no Government will manufacture

or acquire any further weapons of any of the types to be eventually abolished.

In our view, therefore, for the reasons indicated by Mr. Henderson in the passage I have quoted, the attainment of the object which we all have in view at the Disarmament Conference must be in accordance with a regular programme. We earnestly desire to establish by international agreement the attainment of equality of status, and we point out that it is attained in a most complete and effective way by providing for disarmament through the adoption and loyal fulfilment of such a programme as I have indicated. By accepting the principle of no immediate rearmament, and co-operating with the rest of us in framing a convention which is best calculated to restore the sense of confidence which has recently been so rudely shaken, the necessary conditions of success can be established.

The statement I have been asked to make has necessarily involved some plain speaking and a perfectly clear declaration of our own point of view. I feel that if the General Commission, which meets on Monday, is now to do useful work, it is most desirable to ascertain what is the view of other countries on these essential points, and I sincerely trust that we may thus find a way of removing the obstacles which at present stand in the way of an agreed convention.

(iii) *Statement by Hon. Norman H. Davis, October 14, 1933¹*

The statement which Sir John Simon has just made contains an account of conversations in many of which I have participated. It also contains a very definite indication of the modifications which he feels should be introduced into the British Draft Convention to make it more generally acceptable. I am glad to be able to add my confirmation to his account of the conversations and to endorse and support the position he has taken on the important questions of substance before us for immediate decision. I am the better able to give my support to the statement which has just been made to you because, as a result of the frequent and exhaustive conversations which I have had during the past few days with Sir John Simon, we have come to the common conclusions which he has so clearly and forcefully expressed in his statement.

It is not difficult for me to state my position in this frank and unequivocal manner. The report which has been laid before you, both in its broad outlines and in many of the points of detail, is in agreement with the position of the American Government set forth

¹ To the Bureau of the Disarmament Conference. U.S. State Department Press Releases, No. 211, October 14, 1933.

in the communication which President Roosevelt addressed to the heads of governments represented at this Conference last May, and with the statement which I made in the General Commission a few days later. In these statements my Government took the position that a disarmament convention could not properly be made an instrument for rearmament, and that qualitative equality in armaments should primarily be sought through the reduction in the armaments of the heavily armed Powers and not through acts on the part of others to attempt to build up. Under present conditions steps are necessary in the attainment of that equality. It cannot be achieved at one stroke.

I will not attempt to restate on this or on other points the position which has been so adequately presented to you. I only wish to emphasize one point to help reassure those who are impatient or sceptical because of the long delay: from the conversations in which many of us have been recently participating, I am more than ever convinced of the sincere purpose of the heavily armed countries to make effective measures of disarmament a reality, and I would add that no treaty would be satisfactory as far as my Government is concerned, or justify our participation in a system of supervision designed to insure its faithful observance, unless that treaty contained precise provisions for such measures of disarmament.

(iv) *Telegram from the German Minister for Foreign Affairs to the President of the Disarmament Conference, October 14, 1933*¹

On behalf of the German Government I have the honour to make to you the following communication:

In the light of the course which recent discussions of the Powers concerned have taken in the matter of disarmament, it is now clear that the Disarmament Conference will not fulfil what is its sole object, namely, general disarmament.

It is also clear that this failure of the Conference is due solely to unwillingness on the part of the highly-armed States to carry out their contractual obligation to disarm.

This renders impossible the satisfaction of Germany's recognized claim to equality of rights, and the condition on which the German Government agreed at the beginning of this year again to take part in the work of the Conference thus no longer exists. The German Government is accordingly compelled to leave the Disarmament Conference.

VON NEURATH.

¹ British White Paper, Cmd. 4437.

(v) *Telegram in reply from the President of the Disarmament Conference to the German Minister for Foreign Affairs, October 16, 1933*¹

I have now communicated to the General Commission your Excellency's telegram of the 14th announcing the decision of the German Government to discontinue participation in the work of the Conference for the Reduction and Limitation of Armaments, and indicating the reasons for the decision.

The German Government took this step at a moment when the Bureau had just decided to submit to the General Commission a definite programme.

This programme, to be completed within a limited period, provided for the realization progressively, in accordance with the Resolutions of the Conference in which Germany herself concurred, of the reductions of armaments comparable to those contemplated in the Draft Convention submitted to the General Commission.

This programme was provided also, with corresponding measures of security, for the realization of equality of rights, which the German Government have always placed in the forefront of their demands.

I regret, therefore, that this grave decision should have been taken by your Government for reasons which I am unable to accept as valid.

ARTHUR HENDERSON.

(vi) *Proclamation of the German Government to the German Nation, October 14, 1933*²

The German Government and the German nation are united in the determination to carry on a policy of peace, conciliation, and understanding as a basis of all decisions and all actions.

The German Government and the German nation therefore reject force as an unsuitable means of removing existing differences within the European community of States.

The German Government and the German nation renew the declaration that they will gladly agree to any actual disarmament of the world, with the assurance of their readiness to destroy even the last German machine-gun and to discharge the last man from the army if other nations decide to do the same.

The German Government and the German nation unite in the sincere desire to examine and settle all outstanding questions dis-

¹ British White Paper, Cmd. 4437.

² Translation published by *Völkerbund*, October 20, 1933.

passionately by means of negotiations with the other nations, including our former enemies, with a view to overcoming the war psychosis and finally restoring a frank relationship with each other.

The German Government and the German nation therefore declare their readiness at any time, by the conclusion of continental pacts of non-aggression, to guarantee the peace of Europe for the longest period, to serve its economic progress and to take part in the general cultural reconstruction.

The German Government and the German nation are inspired by the same conception of honour that the grant of equality of rights to Germany is the unavoidable moral and material condition for any participation of our people and its Government in international arrangements and treaties.

The German Government and the German nation are therefore united in the decision to leave the Disarmament Conference and to withdraw from the League of Nations¹ until this real equality of rights is no longer withheld from our people.

The German Government and the German nation are determined to accept every distress, every persecution, and every affliction rather than in future to sign treaties which must be unacceptable to every honourable man and for every honour-loving people and which, in their effects, would only lead to a perpetuation of the distress and misery of the position created by the Treaty of Versailles and thus to the collapse of the civilized community of States. The German Government and the German nation have no desire to take part in any competition in armaments with other States; they demand only that measure of security which guarantees to the nation tranquillity and liberty to carry on peaceful work. The German Government and the German nation are prepared to secure these justified demands of the German people by means of negotiations and treaties.

The German Government addresses the following question to the German people: Does the German nation approve the policy which its Government here submits to it, and is it prepared to declare and solemnly to acknowledge this policy as the expression of its own view and its own desire?

(vii) *Proclamation by the Chancellor of the Reich to the German Nation, October 14, 1933*²

Filled with the sincere desire to accomplish the work of the peaceful internal reconstruction of our nation and of its political and

¹ Formal notice of withdrawal was sent to Geneva on October 19, 1933.

² Translation published by *Völkerbund*, October 20, 1933.

economic life, former German Governments, trusting in the grant of a dignified equality of rights, declared their willingness to enter the League of Nations and to take part in the Disarmament Conference.

In this connexion Germany suffered a bitter disappointment.

In spite of our readiness to carry through German disarmament at any time, if necessary, to its ultimate consequence, other Governments could not decide to redeem the pledges signed by them in the Peace Treaty.

By the deliberate refusal of real moral and material equality of rights to Germany, the German nation and its Governments have been profoundly humiliated.

After the German Government had declared, as a result of the equality of rights expressly laid down on December 11, 1932, that it was again prepared to take part in the Disarmament Conference, the German Foreign Minister and our delegates were informed by the official representatives of other States in public speeches and direct statements that this equality of rights could no longer be granted to present-day Germany.

As the German Government regards this action as an unjust and humiliating discrimination against the German nation, it is not in a position to continue, as an outlawed and second-class nation, to take part in negotiations which could only lead to further arbitrary results.

While the German Government again proclaims its unshaken desire for peace, it declares to its great regret that, in view of these imputations, it must leave the Disarmament Conference. It will also announce its departure from the League of Nations.

It submits this decision, together with a fresh statement of its adherence to a policy of sincere love of peace and readiness to come to an understanding, to the judgement of the German nation, and awaits from it a declaration of the same love of peace and readiness for peaceful relations, but also of the same conception of honour and the same determination.

As Chancellor of the German Reich, I have therefore proposed to the President of the Reich, as a visible expression of the united will of Government and people, to submit this policy of the Government to the nation in a referendum, and to dissolve the German Reichstag in order to give the German people an opportunity of electing those deputies who, as sworn representatives of this policy and of peace and honour, can give the nation the guarantee of an unswerving representation of its interests in this respect.

As Chancellor of the German nation and leader of the National Socialist movement, I am convinced that the entire nation stands

united to a man behind a declaration and a decision which arise as much from love of our people and regard for its honour, as from the conviction that the ultimate world reconciliation, which is so necessary for all, can only be attained when the conceptions of victor and vanquished give way to the nobler view of equal rights of existence.

ADOLF HITLER.

(viii) *Extracts from Broadcast Speech by Herr Adolf Hitler,
October 14, 1933¹*

When the German nation laid down its arms in November 1918, placing its trust in the assurances contained in President Wilson's Fourteen Points, the end came to a terrible struggle, the responsibility for which might be cast upon a few statesmen, but certainly not on the peoples. The German nation fought so heroically only because it was firmly convinced that it had been unjustly attacked, and was, therefore, fighting in a just cause. Other countries had hardly any idea of the sacrifices which the German nation—standing as it did almost alone—had to make at that time. If the world had during these months held out a hand to the vanquished opponent, humanity would have been spared much misery and endless disappointment.

The German nation has suffered the bitterest disappointment; never has a vanquished nation tried so honestly to co-operate in healing the wounds of its former enemies, as the German nation during the long years in which it fulfilled the dictated conditions imposed upon it.

The fact that all these sacrifices have not led to any real reconciliation between the nations has been due solely to the nature of a treaty which, in its attempt to perpetuate a situation of victor and vanquished, necessarily perpetuated hatred and hostility. The nations might have been justified in hoping that this, the greatest war in the history of the world, would have shown that, particularly for European nations, no possible gain could compare with the immensity of the sacrifices made. When, therefore, this treaty compelled the German nation to destroy its armaments in order to render possible general world disarmament, innumerable people believed that this demand was to be regarded as a sign of growing enlightenment.

The German nation destroyed its arms.

Believing that its former enemies would fulfil their part of the treaty obligations, the German people honoured their side of the

¹ *Frankfurter Zeitung*, October 15, 1933. Translation prepared by the Information Department.

bargain with almost fanatical sincerity; land, naval, and air material was destroyed, scrapped, and dismantled in countless numbers. In place of an army which had once numbered a million, a small professional army, with equipment which was utterly inadequate from a military point of view, was established in accordance with the demands of the dictating Powers. The political destinies of the German nation were at this time in the hands of men whose outlook was limited to the world of the conquering States. The German nation had every right to expect that, if only for this reason, the rest of the world would keep its word, in the same way as the German people were fulfilling their treaty obligations by the sweat of their brow and in deep distress and unendurable privation.

No war can be a permanent state of mankind. No peace could perpetuate a state of war. A time must come when victor and vanquished must find their way to common understanding and mutual trust. For fifteen years the German people have waited in the hope that when the war ended an end might also come to hatred and hostility. The object of the Peace Treaty of Versailles appears to be not to bring lasting peace to mankind, but rather to perpetuate hatred forever.

The results were inevitable. When right definitely yields to might, a permanent state of insecurity results which destroys and hinders all normal functions in the life and intercourse of nations. When the Treaty was concluded it was forgotten that the reconstruction of the world could not be effected by the forced labour of an oppressed nation, but only by the trustful co-operation of all, and that the primary condition for this co-operation was the destruction of the war psychosis. It is clear that the problematical question of war guilt cannot be settled historically by the victor compelling the vanquished to sign a confession of guilt in the Preamble of a Peace Treaty, but that the ultimate war guilt can better be established from the contents of the dictated treaty itself.

The German nation is firmly convinced of its innocence in respect of the outbreak of the war. The other actors in that tragedy probably have the same conviction, but this makes it all the more necessary that all should strive that this general conviction of innocence should not be the cause of permanent hostility, that the memories of this catastrophe should not be artificially conserved for the purpose, and that the unnatural perpetuation of the situation of 'victor' and 'vanquished' should not lead to a permanent state of inequality which fills one side with comprehensible pride and the other with bitter fury....

I welcome as a sign of a nobler sense of justice, for which countless

millions of Germans will be grateful, that the French Premier, M. Daladier, in his last speech used words showing a spirit of conciliation and understanding. National-Socialist Germany has no other desire than that the competition of the nations of Europe should again be directed into the channels in which they have given mankind both an example of honourable rivalry and those invaluable possessions of civilization, culture, and art, which at present enrich and beautify the world. We also welcome hopefully the assurance which the French Government under its present leader has given; that it does not desire intentionally to offend or humiliate the German nation. We are moved at the reference to the fact—unfortunately only too true—that these two great nations have so often in the course of their history poured out the blood of their best youth and manhood on the field of battle. I speak in the name of the whole German people when I affirm that we sincerely desire to end a feud which has resulted in the loss of so many lives, a loss so disproportionate to anything that has been gained by it. The German people is convinced that the honour of its arms has remained unsullied and unsmirched, just as we see in the French soldier only our ancient, but glorious, opponent. We and the whole German nation would rejoice at the thought that we might spare our children and children's children what we as honourable men had to watch and suffer in the long years of bitterness. The history of the last one hundred and fifty years should in its changing course have taught the two nations that essential and enduring changes are no more to be gained by the sacrifice of blood. As a National-Socialist, I, with all my followers, refuse by reason of our national principles to acquire by conquest the members of other nations, who will never love us, at the cost of the blood and lives of those who are dear to us.

It would be a great day for all humanity if these two nations of Europe would banish, once and for all, force from their common life. The German people is ready to do so. While claiming boldly those rights which the Treaties themselves have given us, I will say as boldly that there are for Germany no grounds for territorial conflict. When the Saar territory has been restored to Germany only a madman would consider the possibility of war between the two States, for which, from our point of view, there is no rational or moral ground. For no one could demand that millions of men in the flower of youth should be annihilated for the sake of a readjustment, indefinite in scope, of our present frontier.

When the French Premier asks why German youth is marching and drilling, then I reply that it is not in order to demonstrate against

France, but to give effect to that political training of the will which was necessary for the overthrow of Communism and which will be necessary to keep Communism in check. In Germany there is only one body that bears arms and that is the Army. On the other hand, National-Socialist organizations know only one enemy and that is Communism. But the world must accept the fact that in order to protect our people from this danger, the German nation chooses for its internal organization those forms which alone can provide a guarantee of success.

When the French Premier, M. Daladier, goes on to ask why Germany is demanding arms which would have to be subsequently abolished, he is under a misapprehension. The demand of the German nation and the German Government has not been for weapons, but for equality of rights. If the world decides that all weapons are to be abolished down to the last machine gun, we are ready to join at once in such a Convention.

If the world decides that certain weapons are to be destroyed, we are ready to dispense with them immediately. But if the world grants to each nation certain weapons, we are not prepared to let ourselves be excluded from this concession as a nation with inferior rights. If we thus honourably maintain our conviction, we are, for other nations, more reliable partners than if we were prepared, against our conviction, to accept humiliating and dishonourable conditions; for we, with our signature, pledge the word of a whole nation, whilst negotiators without honour or character are only disowned by their own people.

. . . Former German Governments entered the League of Nations confidently and with the hope of finding there a forum for the fair adjustment of national interests, and above all for honourable reconciliation between former opponents. But the essential condition was the recognition of the equality of rights of the German people. With the same condition Germany participated in the Disarmament Conference. For an honour-loving nation of 65,000,000 people and a Government with no less a sense of honour, this degradation to the rank of a member without equal rights, in such an institution and such a conference, is a humiliation not to be borne. The German Government has more than fulfilled its disarmament obligations. It is now the turn of the armed States to carry out their pledges to the same degree. The German Government did not take part in the Conference in order to haggle for a few guns or machine-guns, but to co-operate as a member with equal rights in the general pacification of the world.

Germany has no less a right to security than other nations. If the British Minister, Mr. Baldwin, maintained it as self-evident that, for England, disarmament could be understood only to mean the disarmament of the more highly armed Powers simultaneously with the rearmament of England up to a common level, then it would be unfair to overwhelm Germany with reproaches if she decided to stand out for the same point of view as a member of the Conference with equal rights. Germany's demand in this respect constituted no threat to the other Powers. The defensive means of other nations are constructed to withstand the most powerful aggressive weapons; Germany on the other hand does not demand any offensive weapons, but only those defensive weapons which are not forbidden in future, but are to be allowed to all nations. Further, Germany is prepared from the outset to be content with minimum figures which are out of proportion to the gigantic armament of offensive and defensive weapons with which she is surrounded by her former opponents.

Germany cannot tolerate the deliberate degradation of the nation by the perpetuation of a discrimination which consists in withholding the rights which are granted as a matter of course to other nations. In my peace speech last May, I stated that under such conditions we should to our regret no longer be in a position to belong to the League of Nations or take part in international conferences. The men who are at present the leaders of Germany have nothing in common with the traitors of November 1918. Like every decent Englishman and every decent Frenchman, we all had our duty to our Fatherland and placed our lives at its service. We are not responsible for the war or for what occurred in it, but we feel responsible for what every honest man must do in the time of his country's distress and for what we have done. We have such infinite love for our people that we desire whole-heartedly an understanding with other nations, and whenever it is possible we shall try to attain it, but, as representatives of an honourable nation and as men of honour, it is impossible for us to be members of institutions under conditions which are only bearable to those who are devoid of a sense of honour . . .

Since it has been made clear to us from the declarations of the official representatives of certain great Powers that they were not prepared to consider real equality of rights for Germany at present, we have decided that it is impossible, in view of the indignity of her position, for Germany to continue to force her company upon other nations. Threats of force could, if put into practice, only amount to breaches of international law. The German Government is profoundly convinced that its appeal to the whole German nation will

prove that the Government's desire for peace, as also its conception of honour, represent the views of the whole nation.

In order to prove this assertion, I have decided to request the President of the Reich to dissolve the German Reichstag and by means of fresh elections, combined with a referendum, to give the German people the opportunity of making an historic declaration, not only in the sense of approving the Government's principles, but also in that of an unconditional association with them. May the world be convinced by this declaration that, in the struggle for equality of rights and honour, the German nation stands with the Government, and that both are inspired by no other desire than to co-operate in putting an end to an era of tragic errors and regrettable disputes and conflicts between those who, as inhabitants of a continent which in cultural importance is the greatest of all, have a common mission to fulfil in future towards the whole of mankind. May this great demonstration by our nation in favour of peace and honour be successful in bringing to the relations between European states the condition which is essential, if the quarrels and disputes of centuries are to be ended and if a better community of nations is to be built up, that is to say, the recognition of a nobler common duty arising out of common and equal rights.

(ix) *Extracts from Statement by Baron von Neurath, Minister for Foreign Affairs, to the Representatives of the Foreign Press in Berlin, October 16, 1933*¹

. . . Germany withdrew from the Disarmament Conference last summer because it was becoming obvious that equality of rights was being refused at the Disarmament Conference. Naturally it was not the object of German policy at that time, any more than it is to-day, to establish the failure of the Disarmament Conference and to rest content with this disastrous negative result. The German Government at that time, therefore, at once endeavoured to overcome the difficulty by diplomatic negotiations. The negotiations led to the well-known Five-Power Declaration of December 11, 1932,² which recognized our equality of rights and promised its realization in the Disarmament Convention. When, a few months later, as a result of the resistance of various heavily armed States, in particular France, the Conference again came to a stoppage, the British Prime Minister, Mr. MacDonald, on March 16, submitted the well-known British plan³ which was subsequently unanimously accepted as the basis of

¹ Translation published by *Völkerbund*, October 20, 1933.

² See *Documents* for 1932, p. 233.

³ See above, p. 151.

the Convention. This plan, at any rate, represented a useful basis for the realization of general disarmament and thus for the application of the German claim to equality of rights. But in the detailed provisions regarding material disarmament it contained certain defects which the German delegation tried to remove by various proposed amendments. After the Conference had concluded the discussion of Mr. MacDonald's draft in first reading, the second reading was to begin on October 9. When, therefore, the decisive point of the negotiations was reached and the heavily-armed States were faced with the necessity of coming out into the open in respect of their attitude to disarmament, events, as might have been expected, took a turn which culminated in the statement of the British Minister of Foreign Affairs on Saturday. The reason for this turn of events was to be found in the Paris negotiations between the French, British, and American Governments. When we again took part in the diplomatic discussions after these negotiations, we were disappointed and astonished to find that the previous basis of the negotiations of the Conference no longer existed. It appeared that the British plan was no longer recognized by its authors themselves and that it was desired to make fundamental changes in it. In view of this decision to remove the foundation of a satisfactory Disarmament Conference, built with so much difficulty, and to do so one-sidedly to the disadvantage of Germany, thus ignoring the December agreement, the only course left open for us was to withdraw from the Conference.

Public opinion abroad appears to be astonished at this course. That is comprehensible since the recent negotiations have for the most part been confidential. But the statesmen and diplomats who took part in the negotiations have not been at all surprised at our step. At the recent Geneva discussions we clearly referred to the conclusions which we should have to draw if equality of rights were denied us in this manner. I am glad to be able to state that, during these recent negotiations, serious attempts were made by the representatives of the United States and Italy to mediate and to bring about a *détente*. All these efforts failed in view of the desire of other Powers to create a united front against Germany, in the face of which it was hoped that Germany would have no alternative but to give way. This united front was not formed. But it also proved impossible to bring the negotiations back to the basis formerly agreed upon. . . .

. . . In my last conversations with the British Foreign Secretary, he asked me for a definite statement whether Germany wished to maintain the attitude which I had adopted in the discussions. This statement was made in the instructions to the German Embassy in

London which have recently been much discussed. I am anxious to communicate the contents of these instructions of October 6¹ quite frankly, as they clearly show that we made no fresh demands in them, but merely again formulated our old standpoint, which has long been known. In the instructions I emphasized the fact that the basis of our attitude towards the disarmament problem was our claim to equality of rights, which had been recognized by the Five-Power Declaration of December 11, 1932. We adhered to the British plan and to a five years' duration of the Convention, rejected the idea of a trial period, and insisted that the realization of our equality of rights should begin, not after a number of years, but immediately. We were prepared to proceed at once to the transformation of the *Reichswehr* into a short-service army. The question as to what arms this army must have could, however, only be cleared up when it was known what concrete disarmament measures would be taken by the heavily-armed States in respect of war material. For our part, we did not reject any prohibition of arms as too far-reaching, if it were applied equally to all States. We are even prepared to waive all weapons which the heavily-armed States agreed to destroy within a definite period, and the further employment of which would be internationally forbidden. We were consequently anxious to learn as soon as possible what kinds of weapons should, in the view of the countries in question, be forbidden and destroyed. As regards the weapons for which a limitation of kind and quantity was provided in the British plan, we found it necessary to ask for early information as to the definition of these kinds of arms and as to the quantities which were to be laid down in the Convention for the heavily-armed States. It followed from the principle of equality of rights that the weapons which were allowed for all other States, but the numbers of which were limited, must also be allowed for Germany from the beginning of the Convention, while we were quite prepared to discuss the quantities of such arms. With regard to arms which were neither prohibited nor limited in number by the Convention, there should naturally be no numerical limitation for Germany. For our part, however, we agreed that even weapons for which the British plan did not provide any numerical limitation should be so limited if this applied equally to all States. These were the contents of my instructions to London on October 6. . . .

. . . I must, therefore, definitely point out that it was not our demands, but the attitude of the other parties, which rendered a continuance of the negotiations impossible. The British Foreign

¹ See above, p. 279.

Secretary, in his statement on October 14, with the concurrence of France and the United States, substituted a new plan for the MacDonald plan. What does this plan mean? It provides that the disarmament of the heavily-armed States is to be postponed for four years, while there is no binding agreement regarding disarmament for the subsequent period, since it is made dependent on the success of the system of supervision. In practice, however, the supervision is restricted to Germany, because that country alone would be subject to decisive armament limitations in the next few years. The other Powers would therefore always have the possibility of pleading the non-functioning of the supervision or alleged German violation of the Treaty in order to evade their material obligations in respect of disarmament. In addition, for the period after the first four years, the measure of material disarmament which is then proposed has been left entirely obscure in spite of our constant efforts to clear up this point. The standpoint of the Powers therefore amounts to postponing their disarmament *ad calendas græcas*, while at the same time prohibiting any levelling of armaments on the part of Germany. For the conversion of the *Reichswehr* into a short-service militia, which is to take place immediately according to the new plan, is not a concession to Germany, but a concession by Germany to the other Powers. The replacement of the well-trained hundred thousand men of the *Reichswehr* by double the number of short-service men obviously represents a further weakening of our very slight existing defensive power, especially as the arms allowed to us under the Versailles Treaty are to be granted only for the 200,000 men who will be in service, but not for the men who will be discharged. Germany would thus have 200,000 rifles in the hands of short-service men as against about eight million rifles in the hands of the French. It is pure mockery to explain this second disarmament of Germany by the catch-word of no rearmament for Germany.

Could any of the Governments concerned seriously think that Germany would enter into a plan of this kind? Was it really thought possible that the German Government could accept the idea of a trial period, an idea which in itself represents an indisputable defamation, the basis of which I can only describe as an insulting slander of the German Government and as an entirely groundless suspicion of its political intentions? What grounds are given for this impossible plan? The alleged menace to European peace by new Germany. It is really difficult for me to-day to go objectively into this unprecedented accusation. What action has the new German Government taken from which any one in the world could, even with any appearance of

justice, impute to us anti-peaceful intentions? Who will presume to doubt the peace declarations of our Chancellor Adolf Hitler,¹ which are inspired by the greatest seriousness and the profoundest feeling of responsibility? They must be entirely convincing to every one who values truth, and I will refrain to-day from adding a single word to them. . . .

(x) *Statement by the Rt. Hon. Sir John Simon, Secretary of State for Foreign Affairs, November 7, 1933²*

. . . It is just over three weeks ago that Germany, for the second time, withdrew from the Disarmament Conference, and this time she has given notice of her intention—an intention which cannot be carried out for at least two years—to leave the League of Nations. I would call the attention of the House to this significant association of facts. That announcement was immediately accompanied by a long and carefully drafted ‘Appeal to the German people’; by an elaborate proclamation by Chancellor Hitler, and by a decision which showed that all arrangements had already been made to dissolve the German Reichstag and to hold new elections, under conditions which Government candidates in this country might well envy, on November 12.

Now these things necessarily involve previous consultation and long and mature preparation. It is obvious, therefore, that the idea, as has been stated, if it has been entertained in any quarters, that the proceedings at Geneva of the Bureau on October 14 were the cause of the German announcement on that very morning, is manifestly quite untenable. Indeed, I read in the papers to-day a very important statement, which was made yesterday at Berlin by the German Foreign Minister, which in itself implied that the step that had been taken is one that had been taken after very long reflection.

And in fact there was nothing in the proceedings of the Bureau on October 14 which could justify the adoption of shock tactics of that nature. Any one at all familiar with the working of the Disarmament Conference under the Presidency of the right hon. gentleman the Member for Claycross (Mr. Henderson) knows that that is so, for those proceedings, the record of which, as the House knows, has been printed in the White Paper,³ were similar in their nature to proceedings which have taken place more than once in the course of the work over which the right hon. gentleman presides. That reason, therefore, may be dismissed. But the important thing is not to spend our time discuss-

¹ See above, pp. 287 and 289.

² From *Hansard*, November 7, 1933, cols. 41–63.

³ British White Paper, Cmd. 4437. See above, pp. 281–4.

sing the apparent reasons. The important thing is for us to examine with candour what is Germany's real reason, what is really at the back of Germany's mind which causes Germany to do this, and for that purpose it is necessary to survey the course of preceding events. . . .

Although the British draft was, after long debate, adopted without dissent on what at Geneva was called its First Reading—and it takes a great deal longer at Geneva than First Readings do in this House—though that was so, that discussion produced a crop of reservations and qualifications, most of them in general terms, from a large number of other Powers, which was very disappointing. No progress at all was made in the essential matter of agreeing numbers, and by the end of June it was so clear that it would be impossible to enter upon the Second Reading of the draft in the General Commission, that it was decided to adjourn the Conference until October, in order to give an opportunity for conversations between various interested Governments. I ask the House therefore to note that the proposal for conversations between certain Powers was not a malign conspiracy privately entered into by three or four great Powers. It was the decision, the request, of the Conference itself. The President was at the same time requested to use his best endeavours to harmonize the views of various Powers, and for this purpose he visited Paris and Rome and Berlin, as well as holding conferences in London with myself and other representatives of the British Government.

The President made a report to the Bureau on October 9, and it showed that, while he had certainly worked hard and accomplished useful work, a very formidable list of matters, including some most difficult and important questions, were still without any agreed solution at all.

I come to the question of how this affects Germany, because I most wholeheartedly agree with the view that what we have to do is to see inside the mind of those in Germany—whatever we may think of what they have done—and try to understand why it is that they have exhibited this vehement resentment. Well, all this consumption of time without achieved result was not only deeply distressing to all who were working sincerely for agreed Disarmament, but it must have made Germany increasingly impatient. We all of us, I hope, have the good sense and generosity to see that that is not to be wondered at. While it is untrue to say that Germany's disarmament under the Peace Treaties was conditional upon the prompt achievement of general disarmament by others at a given date, it is clear, it is clear on the face of the Treaties, it is clear in the Clemenceau

letter, that German disarmament provided for in the Peace Treaties was contemplated as a first step towards general disarmament. The signatories to the Covenant in terms recognized that—

‘The maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations.’

I allow myself at this point to include an observation which refers to our own country. Britain has set the example, has led the way. No reasonable or instructed person can possibly suggest that we have not reduced our own armaments to the lowest point to which we could go by unilateral action. It will not be thought a waste of time if I give the House three or four figures. Take the Navy—I am not going to give comparisons with the end of the War, when we had piled up enormous forces; I am going to the year in which the War began. Since 1914 the capital ships of the British Commonwealth have been reduced from 69 to 15; its cruisers from 108 to 54, its destroyers from 216 to 152, and its submarines from 74 to 59. In 1914 we had a class of vessel called a torpedo boat, of which there were 106 in commission in 1914. They have disappeared entirely. At the same time there has been a reduction in personnel, as compared with 1914, from 152,000 to 90,000.

Take the Army. Since 1914—we all remember the size of our own Army in 1914—the regular Army has been reduced from 258,996 to 205,534. This has been effected by disbanding nine regiments of cavalry, 61 batteries and companies of artillery, 21 companies of Royal Engineers, and 21 battalions of infantry and three batteries of Colonial troops. At the same time the Special Reserve has been reduced from 80,120 in 1914 to 24,600; and there has been a reduction in the Territorial Army during this period of 141,702. In 1914 it was some 312,000; to-day it is 170,000. In addition, during the same period 18 regiments of cavalry, 31 battalions of infantry, and seven battalions of pioneers have been disbanded by the Indian Army. That has resulted in an approximate reduction of 17,000 men.

Take the Air Force, which was in its infancy in 1914. No valid comparison in this or in any other country can be made with that date, but, although Great Britain was one of the two leading air Powers in the world at the end of the War, and although it relies more than any other Power on the Air Arm in connexion with some of her mandatory duties, her first line aircraft have been reduced to little more than 20 per cent. of her post-war strength, with the result that the United Kingdom now stands, in the number of her military and

naval aeroplanes, only fifth in the list of States. I think it is to the credit of this country that we have done our utmost. It should be further realized that of the aircraft authorized for home defence by His Majesty's Government in 1923, 20 per cent. have not, in fact, been constructed. . . .

There is no ground whatever for reproaching this country with having failed to do its utmost to promote world disarmament. I would add that in other matters also we have led the way. This country has led the way in restoring Germany to her position as an equal partner, and in removing the discriminations which pressed upon her. Let the House remember that it was we, this country, who took the chief part in making Germany a member of the League of Nations and a permanent member of the Council—positions which she is now spurning. It was we who pressed for and secured the withdrawal of the army of occupation from the Rhineland. The history of reparations, from the Dawes Plan to Lausanne, furnishes another illustration.

The Prime Minister came to Geneva to conduct and carry through terribly difficult negotiations which ended in the Five-Power Agreement of last December, and it was that agreement, signed by France, the United States, Italy, Germany, and ourselves, which declared that the principle of equality for Germany was accepted in a system which would provide security for all nations. No doubt it is difficult for a people, a great people with a proud tradition, to be patient when they sincerely feel that the remedy for their grievance is overdue. But it is a gross injustice to this country to forget all that Britain has done during these years to promote good relations in Europe after the War by obliterating distinctions between victor and vanquished; and it is an even greater outrage for any man or any party in this country to seek to exploit the peaceful sentiments and deep anxieties of British homes by falsely pretending that there is any difference between us all as to the urgency of Disarmament.

Undoubtedly the last events have created a special difficulty. It is no good simply going back and saying that if people had done so and so this might not have happened. We must look at the thing as it is. Germany has not only withdrawn, but some of the declarations made in recent months with authority in Germany have undoubtedly made the task of international disarmament more difficult. A week before Germany withdrew, the President, now the right hon. Member for Claycross, declared in Geneva, in a speech to the Bureau, that some of the more important questions still to be settled in the Disarmament Conference were questions the approach to which is manifestly

influenced by the present unsettled state of Europe and the ensuing distress and alarm. Every one knows that that is true. Lord Cecil, as soon as he heard on that Saturday of Germany's withdrawal—he was at Geneva—made a speech in which he pointed to her flaming propaganda and reckless policy as the chief cause of anxiety in Europe, and traced the connexion between this anxiety and the unwillingness of some highly armed States promptly to disarm; and he added that it would be folly for us to ignore that recent events in Europe have unquestionably increased this fear.

All this is indubitably true. But how is this situation to be alleviated? I ask for the general assent of every one when I say that there can be no doubt at all that the most material contribution to the restoration of confidence in Europe would be an international agreement on Disarmament, to which, of course, Germany must be a party. Since I have had a great deal of work to do on this subject, let me point out to my colleagues in this House a consideration, very elementary in itself, the true force of which is not always realized by disarmament enthusiasts who call for this country to give a lead. We have given a lead. The point, however, is that what we are seeking to bring about is an agreement between nations—an agreement, and you do not necessarily produce an agreement by striking an attitude, by proclaiming that you are willing to disarm. Still less do you produce an agreement by pointing to the fact that we ourselves have disarmed and that therefore we should like other people to do the same. From some points of view the actual negotiations of an agreement acceptable to other Powers would be rendered simple if we were able to say 'If you will do this or do that, this is what we will do.'

To a very large extent the difficulties with which we are all struggling at Geneva, and which every serious-minded man desires to understand, are not reduced but are increased by the circumstances under which this agreement is being sought. It was with the object of trying to get that agreement that the exchanges of views took place between some of the principal governments concerned during the summer, and from September 23 onwards there followed a period of intensive discussion, largely at Geneva, between, for example, the French and Germans and ourselves and the Italians and Americans, and sometimes others came in. What was the object of those discussions? The whole of the discussions were to try to arrive at a method for carrying into practical effect the principle which had been acknowledged on all hands, namely, the principle of equality for Germany in a system which would provide security for all nations.

In this negotiation we had something in our favour. The achieve-

ment was undoubtedly assisted by two factors. There was an agreement which was universally accepted, that disarmament must be reached by stages. Secondly, there was the suggestion of the establishment of a system of international supervision of armaments by a permanent disarmament commission.

To that proposal Germany said she would raise no objection, provided that the system was generally applied. I shall point out in a moment the attitude that we took up. Working on these two factors, the conception began to develop these thoughts—that certain provisions or operations of the British Draft might first be put into force: the transformation of Continental armies, which affects France and Italy and Poland as well as Germany; a reduction in effectives, together with the setting up of an adequate system of international supervision. The idea began to emerge that that could be done as a first step, and should be followed by substantial disarmament by the heavily-armed Powers, involving the complete abandonment of types of specially offensive weapons by every one, and accompanied by complete qualitative equality between Germany and the other States as to the types of weapons which were internationally permitted. In other words, there would be an end once for all to the system which said, 'That particular instrument is permitted to me, but it is not permitted to you.'

I confess that it appeared to me and to my colleagues of the British Government that this scheme was entirely consistent with the principles of the British Draft, that the security which the actual establishment of international supervision would provide would do much to restore confidence between nations—and you can do nothing unless confidence is restored. Actual disarmament would be reached by international agreement and the equality of Germany would be vindicated.

In these discussions, sometimes between two or three and sometimes more, the United Kingdom Government, represented by the Under-Secretary of State for Foreign Affairs and myself, insisted that the Disarmament Convention must contain, from the moment of its signature, the detailed and specific amount of disarmament referred to above. We said to the French: 'We will have nothing to do with a convention which as its first stage provides for such and such and then says, "We will wait to see what disarmament takes place in the second stage."' We said, 'Put it down at the beginning.' It was to be defined and definite. Germany, we said, was entitled to know beforehand not only what the ultimate disarmament would be, but she was entitled to something else; she was entitled to know whether the

decision as to whether the provisions of the first part of the Convention were duly observed was to be arrived at by an impartial international body, or whether each nation was to be judge for itself. We insisted that not only should supervision be generally applied, but that it must be the verdict of this impartial international inquiring body which would decide, aye or no, whether the Convention was being observed.

That was the basis of the tentative scheme, of the tender plant which we were doing what we could to cultivate. While there remained some important matters outstanding, it did appear to promise prospects of adjustment which were encouraging, and this sense of encouragement was by no means confined to the Government of this country. I know very well that it was shared by the representatives of other nations. For example, the approach to a common viewpoint between France and Italy was undoubted, and that is an improvement in the relations between these two great countries which everybody must be glad to see. Co-operation with the United States has always a special character. It had never been more intimate, it had never been more valued, and it had never been more cordial. I do not for a moment suggest that Germany's representatives at Geneva were agreeing on all points, but they were there; they were discussing this and that, they were raising questions as to this or that and, as the White Paper shows, when the right hon. Gentleman the Member for Claycross asked for some account of the latest discussions he was provided with the information in language which certainly did not contain a single provocative word, and the information which he was given was promptly confirmed by the United States, by France, and by Italy. . . .

There was a great deal of misunderstanding when we began to talk about eight years. I mean in this country. I was unaware of it because I was in Geneva, but the actual proposals I will now state more specifically to the House. Before I do so, however, let me make it plain that this was reporting to the Bureau the direction in which suggestions were being made. No one was tabling a plan, but, in view of the fact that in the last three months many of us had been asked to interchange views, it was natural for the President to ask, and I think quite proper for us to reply to, the question: 'Will you tell us what is the general nature of the changes which are suggesting themselves in these discussions to the various Governments?'

With that preamble, let me deal with the specific points raised by my right hon. Friend. First, 'the period of probation' is a phrase and not only a phrase, but a conception which we of the British Delega-

tion had rejected publicly and privately throughout. Our point was 'if you are going to get agreement, let us say with the French, then you must aim at a programme which might possibly meet with their acceptance'. If you proceeded to say that these things were all to happen at once, the result might be that you could not get any disarmament at all. Therefore, the idea was a programme which was modified in point of time, under which the first three years, or it might be four years, would be occupied in the transformation of the Continental armies, not only Germany's, but those of France and Italy and others, and in the setting up of a system of international inspection.

I come to the second question. International inspection from beginning to end was to be applied to everybody, and there was a very good and practical reason why it should be so applied. One of the things that we thought might be included in this first period was the provision that no Power, however heavily armed, should provide itself henceforward with any form of weapons which under the scheme of the Treaty were to be scrapped and abandoned. For that purpose, inspection of each country was obviously necessary. I assure my right hon. Friend that there never was a moment when there was reason for misunderstanding about that point. I am sure I shall be confirmed by my hon. Friend the Under-Secretary when I say that I explained that point plainly and with the greatest clearness. What can be said, and quite fairly said, about this suggested modification is that it did involve certain portions of the original plan of disarmament being postponed. That is certainly true. It involved that the French, for example, would abandon their big weapons, not at once, but according to some programme or schedule which it was not contemplated would begin to operate immediately and might not operate for three years or four years. . . .

I cannot put the thing more plainly than it has been put in a great newspaper, not always very friendly to the Government, but which seemed to me, two days afterwards, to state the position exactly. I will read to the House a portion of the leading article in the *Manchester Guardian* on October 16. This is what that paper said, referring to Germany's sudden withdrawal:

'If the decision comes as something of a shock to other countries, that is because Germany was on the point of gaining so much of what had hitherto been denied her. The Treaty of Versailles did not give any undertaking that disarmament by the other Powers would follow that of Germany either immediately, or within any given time. It did exact German disarmament in order to render possible the initiation of a general limitation of all armaments. And now, after too long delays, this was, for the first

time, promised to Germany. It was, as Sir John Simon said on Saturday, an essential part of the proposed Convention that it should lay down an actual concrete programme for the abolition of the major arms, which would come into force at the end of the first or preliminary period of three or four years. For the first time France, Poland and Germany's other armed neighbours would have bound themselves in the fetters of legal dates and figures, bringing them towards equality with Germany. The price for Germany was submission to a system of inspection'—

As I have said that inspection was to be general—

'and abstention for another three or four years from the major arms. The resentment of the German people that nothing was done for ten years to remove their inferiority of status has long been recognized in this country to be just. But, in the Convention they were asked to accept, the advantages to them enormously outweighed the disadvantages. Herr Hitler talks of "persecution" at the moment when the spirit of persecution of Germany has gone out of European politics. This is the moment when the Nazi Government has chosen to destroy the whole agreement at Geneva, to secede from the League of Nations, and to complete the moral isolation which the triumph of the Nazi system has gradually brought on Germany.'

I think I have stated plainly what then was the position. Lord Cecil, in the speech which I have just referred to, declared that Germany had left Geneva for reasons that no one outside Germany would accept, and that she had done her best to prevent international disarmament. The President composed a telegram which the whole of the Conference approved, regretting that this grave decision of the German Government should have been taken for reasons which he was unable to accept as valid. Much else may be said in criticism of Germany in this matter, but I am not going to say it, because the Government's chief concern and the chief concern of all of us is to pursue the work for disarmament which that action of Germany has so rudely disturbed.

I do not wish to say anything that would make its resumption more difficult, but we must face the central fact as it is. The central political issue is how to reconcile Germany's demand for equality with France's desire about security. Regarded as a direct issue, that is a question between those two Powers and their respective peoples. It is a terrible problem charged with the most potent and persistent of all the historic influences which divide nations. That is memory—the memory of invasion on the one hand and the fear which it leaves behind, the memory of defeat on the other hand and the resentment and sense of humiliation which it engenders. Can one say that either sentiment is unnatural, and that in like circumstances we should not feel it ourselves? I do not think so, and for that reason the whole of

British policy has been directed, not to denying or belittling either sentiment, but in the effort to promote reconciliation between them and to meet the supreme need of the world for peace, by turning the minds of both from the past and inviting their co-operation in the future.

I believe that we have a very special rôle to play, because it was Britain who brought the parties together and secured the signatures of both for a declaration of equality in a régime of security. We have used every effort, we are using every effort, and we shall go on using every effort, whether Germany is at Geneva or not, to that end. We have the most urgent national reasons for doing so, if only because the present inequality in armaments affects not only Germany but ourselves, and the very last thing we want to see is a process of rearmament either here or elsewhere. We stand, as we believe the vast mass of our fellow-countrymen stand, for international co-operation with a view to firmly establishing peace, and, at a time like this, when the international system set up since the War is in jeopardy, we declare ourselves, without any qualification, believers in and upholders of the League of Nations as the best available instrument for international co-operation.

I must be allowed to say a word about isolation. We shall not get out of our difficulties by crying isolation when the conditions for isolation have disappeared and cannot exist. We shall not increase our influence for peace by declaring that it does not matter to us what our neighbours in Europe do or do not do. We have an immense moral authority to assert, for Britain has disarmed and has a right to speak. We seek to use that authority in the only way open to us, by making no special or select alliance with or against any Power, but by working for friendship and peace between all

The House may think it useful if I make a brief statement as to what the Locarno Treaty actually provides. Before we give any countenance to a campaign against the Locarno Treaties, which were devised to be one of the most effective instruments for peace in Western Europe, let us at least have a clear view as to what the Locarno Treaties say. The main instrument is a treaty of mutual guarantee between the United Kingdom, Belgium, France, Germany, and Italy, initialled in 1925, on October 16.

This Treaty is not an alliance of Britain and France against Germany; it is an inclusive agreement in which Germany, Belgium, France, Great Britain, and Italy are all parties. The arrangements made are purely defensive and are supplementary to the Covenant of the League. They do not constitute in any sense an alliance

between certain Powers directed against other Powers. The signatory Powers severally and collectively guarantee the territorial *status quo* resulting from the frontiers between Germany and Belgium and between Germany and France, the inviolability of those frontiers, and the demilitarization of the Rhineland.

What are our obligations under the Locarno Treaty? I am not going to argue the case on one side or the other, but just to state them. Our obligations may be summarized under four heads. First, if the Council of the League finds that a violation of the undertaking not to go to war against each other, contained in Article 2, has been committed by Germany, France, or Belgium, we are bound immediately to come to the assistance of the Power against whom the act complained of was directed. I observe that it is the Council of the League which is to make that finding, and in that case, as we are a permanent member of the Council, our assent is necessary to any finding. I do not suggest that it would not be given in a proper case, but our assent is necessary.

Secondly, if the Council finds that a breach of Articles 42 and 43 of the Treaty of Versailles—relating to the demilitarization of the Rhineland zone—has been committed, we are bound to come immediately to the assistance of France or Belgium as the case may be. There again, let me state that our assent is necessary to the finding of the Council. That is the second case. Thirdly, in the event of what is called a flagrant violation of one or other of the above undertakings, which would really mean the case of something happening in so much of a hurry that you could not call a meeting of the Council of the League, we are bound immediately to come to the help of the injured party, if we are satisfied that the violation constitutes an unprovoked act of aggression, and that immediate action is necessary. In this case we are the sole judges as to whether our obligation is applicable.

Fourthly, and lastly, if either France, Belgium, or Germany refuses to submit a dispute to peaceful settlement or to comply with an arbitral or judicial decision, we are bound to comply with any proposals which the Council may make as to the steps to be taken. In that case our assent is necessary to any and every proposal that the Council may make, and the House will therefore see—of course hon. Members mostly know it, but it is not a waste of time to state it for everybody—that, with one exception, the decision to be taken before the Treaty has operative effect must be taken by the Council of the League. The Council can take no such decision unless it be unanimous, and since the United Kingdom is a permanent member of the Council, it is clear that no decision can be taken without our

assent. The one exception that I have mentioned arises if it is alleged that there is a flagrant violation of the undertaking not to go to war, and so forth, by one of the parties. Such a case might be so urgent that there would be no time to take it to the Council, and consequently we are bound to go immediately to the help of the injured party, but we are the sole judges as to whether this obligation has become applicable, and, of course—a very important fact—Italy stands in exactly the same position as we do ourselves.

The House will, therefore, observe that no British Government is blindly fettered by the Treaty of Locarno. We have by that Treaty assumed certain important obligations—I do not minimize them—along with Italy and the other Powers, in the interpretation of which we have a decisive voice. I must point out further that the Treaty which came into force in 1926 between the five European Powers cannot be denounced by us or by any other signatory by way of a unilateral act. It can be terminated only in the circumstances stated in Article 8, which, the House may take it, are not material to this purpose.

Now Locarno was entered into as a contribution to the stabilizing forces of Europe, and I would submit to the House that Locarno has not exhausted its influence in that respect. We shall not increase the power of those stabilizing forces by announcing that we are completely indifferent whether the events referred to in the Locarno Treaty take place or not. It is the fact that we have pledged ourselves not to be indifferent which exercises restraint and which helps to keep solid the fabric of European relationships, and it provides an argument which we will use to all proper lengths to produce the limitation and reduction of armaments in other countries.

There is another question raised in certain quarters as regards the Treaty of Locarno on which I would say a word. The question is whether the obligations of this country would be ended if Germany, two years hence, carried out the intention of which she has given notice to leave the League of Nations. Let me first observe that Germany has the opportunity of withdrawing that notice at any time during the next two years, and the Government and, I am sure, the whole House earnestly trust that the course of events will result in her doing so. Besides, a great deal can happen and a great deal will happen in the next two years, and every influence that we can use will be on the side of reconciliation and peace. Do not let us speak to-day as if the march of future events was beyond the control of men of good will. The view of the Government, after consulting the Law Officers of the Crown, is that the withdrawal of any party to the

Treaty of Locarno from the League does not of itself and by itself involve the release of all parties from their obligations under the Treaty. But the withdrawal of Germany, if indeed it ever were to become effective, would raise issues of so far-reaching a character that it would be impossible to make any public statement upon them without careful consideration in consultation with the other parties to the Treaty.

I would most earnestly deprecate the discussion of these hypotheses, which can only serve to create apprehension and, it may be, to cause misapprehension. Much as we deplore Germany's recent action, and unjustified as we think it to be, that is no reason for treating the door which she has slammed as though it was bolted, locked, and barred, and we shall seize every opportunity of getting and keeping in touch with her as well as with the other signatories of the Treaty of Locarno. Our own influence in the cause of disarmament would not be increased—it would be fatally prejudiced—if the existence and effect of the Locarno Treaty were not fully borne in mind. I think I heard my right hon. Friend the Member for Carnarvon Boroughs whisper an observation, which was quite justified. The promotion of general disarmament was one of the objects envisaged by the Treaty; there were speeches made in the Locarno Debate in 1925 which stressed this very point; and while it is true that, without apportioning blame, there has been sad delay in achieving agreed disarmament, but not a moment has been lost in working for it; no friend of the cause should make disarmament more difficult than ever by suggesting that assurances to which Britain has put her hand are assurances which we are prepared to ignore.

(xi) *Extracts from Speech by M. Paul-Boncour, Minister for Foreign Affairs, November 14, 1933*¹

Les évènements d'Allemagne ont dominé le débat: c'était fatal. Ce qui s'est passé depuis notre dernière séance n'est pas fait pour modifier nos opinions. Une révolution intérieure a bouleversé les institutions d'un grand pays, une victoire qui s'est encore amplifiée dimanche a écrasé celles des forces internes sur lesquelles avait compté notre politique de rapprochement. Elle a donné un rythme plus ample à des revendications dont nous ne pouvons pas ne pas tenir compte lorsqu'elles sont animées d'un dynamisme qui tend à les propager hors des frontières.

Quelles que soient les assurances de paix qui nous sont données,

¹ In the French Chamber. *Le Temps*, November 16, 1933.

quelle que soit la volonté des dirigeants de l'Allemagne, les concepts sur lesquels repose le mouvement qui a triomphé comportent des risques contre lesquels notre politique extérieure doit se prémunir.

Le mouvement a dérivé, en effet, vers l'exaltation d'un nationalisme intense. Le peuple allemand, après la guerre, la défaite, l'inflation, la crise, croit avoir retrouvé là des raisons de vivre et d'espérer. Ce n'est pas nous qui lui en ferons grief, nous qui n'avons jamais connu la haine, nous qui nous sommes montrés si empressés à nous entendre avec notre ennemie d'hier et qui restons prêts à examiner, en accord avec nos amitiés et nos engagements antérieurs, toute proposition concrète et précise qui nous serait adressée.

Mais outre que l'exaltation du sentiment national porte toujours en elle des possibilités d'aventure, l'idéologie qui règne en Allemagne, fondée sur la race, déborde la nation telle que l'ont faite l'histoire et les traités. Elle porte donc une menace directe à l'ordre et à la stabilité de l'Europe, et elle révèle un antagonisme certain entre les idées de l'Allemagne et l'organisme de paix et de solidarité internationales que, malgré ses timidités et ses fautes, nous nous efforçons de constituer à Genève.

Si l'on ajoute que, indiscutablement, encore que j'aie à contester certains chiffres, les préparatifs de réarmement s'accélérent en Allemagne, rien d'étonnant à ce que, comme l'a dit très objectivement M. Benès, les différents pays commencent à tirer des événements les enseignements qu'ils comportent pour leur politique extérieure. . . .

. . . La sécurité ne dépend pas seulement du calcul de ses propres forces, mais du rapport entre ses forces et celles des autres. La marge de supériorité que nous avons sur l'Allemagne, si l'Allemagne réarmait, que deviendrait-elle ?

Et quelle course à l'abîme si, pour la maintenir, il fallait réarmer à nouveau ! D'autant que c'est étrangler le problème que de le limiter à la seule France et à la seule Allemagne, et qu'en réalité toutes les nations seraient successivement entraînées dans ce cycle infernal.

Quinze ans après le traité de Versailles que pensions-nous faire, alors qu'il nous fallait choisir entre une politique de force et une politique de collaboration internationale ?

Nous avons choisi, la France entière a choisi, personne ici n'a prétendu rompre avec une politique de collaboration.

En réalité, il faut le proclamer bien haut, notre seule garantie contre le réarmement de l'Allemagne résidait et reste dans la limitation générale des armements et dans l'organisation d'un contrôle efficace. . . .

. . . Sans doute, j'ai souvent regretté qu'on n'ait pas appliqué cet

article,¹ mais j'en connais les limites et j'en mesure toutes les difficultés d'application. En tout cas, ce serait singulièrement méconnaître l'opinion internationale et l'atmosphère de Genève que de croire un instant, alors que vivait entier l'espoir d'aboutir à l'élaboration d'une convention applicable à tous, que la procédure visée par l'article 213 avait quelque chance d'aboutir.

Et même maintenant que l'Allemagne a quitté la conférence, j'affirme que la France, en prenant position pour la continuation de celle-ci, pour le prolongement d'une discussion où il ne tient qu'à l'Allemagne d'être présente, j'affirme que la France est demeurée fidèle à la seule solution qui puisse, un jour, réaliser l'accord entre les puissances.

Comprenez-vous maintenant notre effort tenace pour aboutir à une convention internationale et pourquoi, en septembre dernier, nous en avons fait la condition même des réductions que nous envisagions? Nous semblions peut-être ainsi renoncer à cette assistance mutuelle, dont la nécessité continue à être affirmée à Genève, mais je demeure convaincu que notre voie était bonne, que le plan français de 1932, le plan Tardieu, ne méritait pas les critiques qu'on lui a adressées, et je suis sûr que si, à ce moment-là, l'opinion internationale avait été mûre pour l'organisation d'une force militaire mise à la disposition de la Société des Nations, cette dernière eût été garantie contre certaines erreurs qui ont indéniablement ébranlé son crédit.

Mais, puisqu'il est certain qu'en ne faisant pas tous nos efforts pour aboutir au succès de la conférence la France eût commis la plus lourde des fautes, quel gouvernement, je vous le demande, eût pris la responsabilité de dire: 'Je m'en vais!'

Nous sommes donc restés—et c'est là un exemple que d'autres auraient pu suivre—et nous avons recherché d'autres moyens de sécurité équivalents et orienté nos recherches vers de nouvelles garanties, qui paraissaient internationalement réalisables.

Au moment où l'Allemagne a quitté la conférence—c'est peut-être là la raison de son départ—nous avons déjà réalisé, au cours de conversations d'abord, puis par l'affirmation de positions prises en séance, un accord, également acceptable pour l'Allemagne, et qui subordonnait toute réduction à des garanties positives et précises, garanties qui auraient résulté de la convention même, puisque celle-ci envisageait une formule nouvelle pour la constitution même des différentes armées et qu'un contrôle efficace devait en assurer l'exécution.

¹ Article 213 of the Treaty of Versailles.

C'est seulement après la réalisation de cette convention qu'interviendraient les réductions envisagées, et vous pouvez juger ainsi qu'à aucun moment les intérêts français n'ont été compromis. . . .

. . . Prenez garde que ceux-là mêmes auxquels vous pensez, les grands pays sans lesquels on ne peut tout de même pas concevoir une organisation solide de la paix, ne veulent pas prendre d'avance en Europe les engagements précis et d'ailleurs réciproques que comportaient les alliances d'avant-guerre.

Au reste, depuis que la Société des Nations existe, il n'y a plus, au moins pour les pays qui, comme nous, se conforment à ses principes, d'alliances défensives ou offensives au sens où on les entendait autrefois. Maintenons et développons les nouveaux pactes vers lesquels on s'est orienté.

Locarno est le type de ces pactes. Locarno est intact. Objectera-t-on que certaines réserves y ont été apportées ? Ces réserves sont la correction même. Elles constituent l'interprétation exacte d'accords qui ne sont pas des alliances, mais des traités de garantie.

Cette garantie doit jouer aussi bien en faveur de l'Allemagne qu'en notre faveur. Toute notre politique, notre politique unanime, nous garde d'être inquiets de la première hypothèse. Rappelons-nous que c'est parce qu'elle garantissait la neutralité de la Belgique que l'Angleterre est entrée dans la lutte à nos côtés avec toutes ses forces.

Les pays qui ont signé de tels accords restent juges, nous dira-t-on, des conditions dans lesquelles leur garantie doit les conduire à intervenir. Mais l'alliance elle-même dispense-t-elle de cette éventualité ?

Tout ne se règle pas par des textes ou des interprétations juridiques. Comme les anciennes alliances, les nouveaux pactes sont une matière vivante et plastique que modèle la politique extérieure.

En face de manifestations et même d'actes qui constituaient des violations partielles de la zone démilitarisée, nous n'avons pas voulu faire jouer des garanties qui doivent être réservées pour des hypothèses plus graves. C'est ainsi que nous avons vu se resserrer autour de nous le cortège des nations attachées à la paix. . . .

. . . Je n'aurais pas donné tout son sens à cette politique si je n'ajoutais que rien ne serait plus hors de notre pensée que d'y apercevoir une politique d'encerclement à l'égard de l'Allemagne. C'est là un mot qui a fait trop de ravages avant la guerre.

Nous nous efforçons simplement d'unir et fortifier les puissances résolues à maintenir la paix. Cela, nous le faisons sur un plan de collaboration internationale, où il ne tient qu'à l'Allemagne de nous rejoindre. Causer ? Mais tant qu'on voudra. Je regrette seulement qu'au moment où nous venaient de l'autre côté de la frontière tant

d'appels retentissants à la conversation, aient été interrompues des conversations qui, depuis février 1932, n'avaient cessé de se produire à Genève, là précisément où les intérêts particuliers pouvaient le mieux s'accorder avec l'intérêt général des peuples.

Si l'on préfère les préparations diplomatiques, ce n'est pas moi qui y verrai d'inconvénient. Nous avons un ambassadeur à Berlin. L'Allemagne a un ambassadeur à Paris. Toute proposition concrète et précise qui nous serait transmise est certaine d'être accueillie et examinée par nous dans l'esprit que nous avons toujours apporté dans nos négociations envers un grand pays, dont nous savons très bien que ses rapports avec le nôtre conditionnent pour une grande partie le maintien de la paix en Europe.

Fidèles à nos amitiés et à nos engagements, nous ne ferons rien qu'en accord avec ceux à qui nous lient des pactes conclus au grand jour, enregistrés à la Société des Nations, et c'est à la Société des Nations que devrait aboutir tout accord particulier entre l'Allemagne et nous.

Mais, sous cette réserve, qui est de stricte loyauté, qu'on sache bien que la France, présente partout, est prête à causer sans cesse.

(xii) *Extracts from Press Interview granted by Herr Hitler,
November 16, 1933¹*

'Je crois que le résultat du plébiscite donne à mes désirs une force assez neuve. Quand Stresemann essayait, avec lucidité et avec mérite, de trouver les voies d'une entente avec la France, et lorsque Brüning, dont les intentions étaient également bonnes mais grande la faiblesse, faisait de même, ils n'avaient pas derrière eux le peuple allemand. Moi, j'ai toute l'Allemagne. Je ne lui ai pas caché ce que je voulais. Elle m'a approuvé.

'J'ai la conviction que la question de la Sarre, qui est terre allemande, une fois réglée, il n'y a rien, absolument rien, qui puisse opposer l'Allemagne à la France. L'Alsace-Lorraine ? J'ai dit assez souvent que nous y avons renoncé définitivement pour pouvoir penser que j'étais entendu. Mais combien de temps faudra-t-il répéter que nous ne voulons ni absorber ce qui n'est pas nôtre, ni nous faire aimer de qui ne nous aime pas !'

Le chancelier poursuit. Il n'existe pas en Europe un litige qui justifie la guerre. Tout peut se régler entre les gouvernements des peuples s'ils possèdent le sentiment de leur honneur et de leurs responsabilités. Il y a une Pologne animée d'un esprit patriotique admirable ;

¹ From interview by M. Fernand de Brinon printed in *Le Matin*, November 17, 1933.

il y a à côté d'elle une Allemagne non moins attachée à ses traditions. Entre elles, des différends, des points de friction nés d'un mauvais traité, mais rien qui vaille de répandre le sang le plus précieux, car ce sont toujours les meilleurs qui tombent sur les champs de bataille. C'est pourquoi hier, le ministre de Pologne et lui sont tombés d'accord aisément pour conclure entre eux un accord¹ de bons voisins.

'On m'insulte en continuant de répéter que je veux faire la guerre. Serais-je fou ? La guerre ? Mais elle ne réglerait rien. Elle ne ferait qu'empirer l'état du monde. Elle marquerait la fin de nos races qui sont des élites et, dans la suite des âges, on verrait l'Asie installée dans notre continent et le bolchévisme triomphant.

'Comment souhaiterais-je une guerre nouvelle alors que les suites de la dernière pèsent sur nous et se feront sentir encore pendant trente ou quarante ans ? Je ne pense pas pour l'immédiat. Je pense dans l'avenir. J'ai devant moi un long travail intérieur. J'ai rendu au peuple la notion de son honneur : je veux lui redonner la joie de vivre. Nous combattons la misère. Déjà, nous avons fait reculer le chômage. Mais je veux faire mieux et il me faudra des années pour parvenir au bien-être. Et vous pensez que je vais compromettre mon travail par une nouvelle guerre ? Allons donc !

'De quelle manière réaliser l'entente entre pays voisins et égaux en droit ? Ma patrie n'est pas une nation de second rang. Elle est une grande nation à laquelle on a imposé un traitement insupportable. Si la France entend fonder sa sécurité sur l'impossibilité matérielle pour l'Allemagne de se défendre, il n'y a rien à faire, car le temps où ces choses étaient possibles est terminé. Mais si elle admet de trouver sa sécurité dans un accord librement discuté, je suis prêt à tout entendre, à tout comprendre, à tout entreprendre.

'L'égalité revendiquée par l'Allemagne, on sait à peu près exactement en quoi elle consiste. Moralement c'est le droit égal absolu. Quant à la réalisation pratique, elle peut s'accomplir par étapes et on peut causer sur les détails.

'Mais on me dit : égalité, oui. Mais pas d'égalité sans contreparties. Quelles contreparties ? Il faudrait connaître enfin le contenu de votre mot : sécurité.'

Je crois, dis-je à M. Hitler, que dans notre préoccupation de sécurité, la recherche d'un état de sécurité morale entre pour autant que la découverte des garanties d'une sécurité matérielle. Nous voudrions croire que les différends sont enfin réglés, qu'ils ne renaîtront pas selon les occasions et le temps. Certaines choses nous troublent. Il y a parfois des manifestations inquiétantes.

¹ See below, p. 424.

‘Je décide seul de la politique de l’Allemagne, et quand je donne ma parole, j’ai l’habitude de la tenir.

‘Si, rencontrant par hasard un ministre français, je lui avais dit en tête à tête: “La question de la Sarre étant résolue, j’estime qu’il n’y a pas un différend qui puisse nous opposer”, je pourrais comprendre qu’on dise: “Hitler a des arrière-pensées. Nous aurons des surprises.” Mais, devant mon peuple auquel je demandais son approbation solennelle, j’ai dit les mêmes choses. J’ai répété maintes fois que le sort de l’Alsace-Lorraine est réglé. Le peuple a donné sa réponse. Que faut-il de plus ?

‘Moi, je n’ai pas hérité un trône. J’ai une doctrine à maintenir. Je suis un homme qui agit, qui engage sa responsabilité. Je réponds de moi-même devant le peuple que je conduis et qui me donne la force.

‘Mais, parlons de la sécurité française. Si l’on me disait ce que je peux accomplir pour elle, je le ferais volontiers s’il ne s’agissait pas d’un déshonneur ou d’une menace pour mon pays. Ainsi, un journaliste anglais a écrit que, pour apaiser l’Europe, il faut accorder l’Allemagne et la France et donner à la France la sécurité supplémentaire d’une alliance défensive avec l’Angleterre. S’il s’agit d’une telle alliance, j’y souscris volontiers car je n’ai pas l’intention d’attaquer mes voisins. La Pologne le comprend maintenant. Mais parce que la Pologne est plus proche de l’Asie que vous, elle nous connaît mieux!’

J’ai dit alors: Ainsi, monsieur le chancelier, vous êtes toujours dans les mêmes dispositions d’esprit que lorsque vous avez adressé à la France votre appel du mois dernier? Mais vous avez quitté la Société des Nations. Cette résolution inattendue a causé un émoi profond. Vous avez abandonné, a dit M. MacDonald, les procédures pacifiques.

‘En quittant Genève’, répond M. Hitler, ‘j’ai accompli un acte nécessaire et je crois avoir rendu un service de clarté. Nous ne retournerons pas à Genève. La Société des Nations est un Parlement international dans lequel des groupes de puissances s’opposent et s’agitent. Les malentendus sont aggravés au lieu d’être résolus. Je suis toujours prêt, et je viens d’en donner l’exemple, à entamer des négociations avec ceux qui veulent bien causer avec moi.’

(xiii) *Extract from Statement by the Rt. Hon. Sir John Simon, Secretary of State for Foreign Affairs, November 24, 1933*¹

... Germany, as we know, and to our great regret, withdrew from the Disarmament Conference. That is now more than a month ago.

¹ From *Hansard*, November 24, 1933, cols. 429-36.

There have been declarations from some other Powers which showed how difficult it would be to go on immediately just as if nothing had happened, and, consequently, a very grave question of procedure arose.

Let me state most frankly to the House that what we are speaking of at the moment is only procedure. The substance of the thing, the real thing, still remains to be pursued but, at the same time, you will never make progress if, while searching for international agreement on the subject of disarmament, you cannot even agree on procedure. Therefore, it was a very necessary preliminary to see how far the next step would be generally and, if possible, universally agreed. There was a view held and expressed in this country by very important authorities, and it is a view which was also entertained in some quarters abroad, that notwithstanding this lamentable withdrawal of Germany, and the other circumstances, still the Conference should go on from day to day just as if nothing had happened, with a view to framing a complete Convention, and then should tender it and invite the absentee to sign it. May I submit to the House that, apart from the practicability of that procedure, because, of course, it could only be carried out if you were reasonably sure that you were going to get at every stage agreement from everybody else—apart from that, is there not ground for saying there may be some doubt as to the wisdom of that procedure?

After all, the essence of Germany's case—and let us face it quite frankly—is that she feels she has been treated in the past on a basis different from other people, and we shall never get anywhere unless we try to look inside the German mind and understand Germany's feelings. Could you conceive any proceeding which was so likely to drive the iron into Germany's soul as to say, 'Your withdrawal makes no difference. The rest of us will formulate the document, and when the document is complete we will tender it to you and request that you should sign on the dotted lines?' I listened with the greatest respect to devoted supporters of disarmament in this country and abroad who took the view that that was still the right course, but I am bound to submit to the House that I have had grave doubts about it. The whole question is, what is the object? The object which everybody has at heart is to bring about general agreement, and I would assure the House, what I am sure would be confirmed by anybody who has seen the work at close quarters, that, through all these months, and, indeed, years, difficult as general agreement no doubt may be in any case, the only way in which you can reach general agreement is by the method of negotiation, and not by what I call the method of shots at long range.

Those were the considerations which were in my own mind and in the mind of the Government when the discussion as to this immediate procedure at Geneva took place. Germany is not a target for dictation. She is a partner in discussion, and the fact that she has been led—to the regret of all of us—to withdraw to a distance greatly complicated the difficult question of what would be the immediate course to pursue. I say on behalf of the Government, and I am sure in this respect on behalf of the whole House, that it will make no difference to our resolve to do everything we can to make her again a partner in friendly discussions. For those reasons, the question arose at Geneva when I went there whether we should proceed by this suggested method, and there were two other considerations most relevant to be considered.

First of all, there had arisen in recent weeks a number of tentative suggestions—I do not call them offers—which came from the German side. Before the German elections were over, Herr Hitler made a pronouncement to the whole world in that sense. I remember that in a previous Debate I quoted to the House a phrase of Baron von Neurath in which he spoke of Germany's trustful and honest offer, and perhaps, what is much more to the point since the German elections, and, indeed, within the last few days, there has been published in the great French newspaper *Le Matin* a very remarkable interview by Herr Hitler with a French publicist of quite exceptional ability which certainly calls for the most considered examination by all who are seeking peace and pursuing it. Therefore, when we came to consider at Geneva what was the immediate course to pursue, it did appear, on analysis, that there might be good reason for providing a certain space in which what have been called parallel and supplementary efforts might be made. Of course, if those who put forward that sort of suggestion have got at the back of their minds the ending or the crippling of efforts at the Disarmament Conference itself, then I say, on behalf of His Majesty's Government, we will have nothing to do with it at all. That would be a fatal blow to the whole work of co-ordinated disarmament, and we should be wholly opposed to that course.

But with these considerations made plain in our conversations, I wish here to acknowledge that Italy made a most valuable contribution towards agreement. The House will recall that there had been some very strongly phrased declarations made shortly before by the head of the Italian Government, but while I was at Geneva the Italian Government authorized their representative to explain that Italy's attitude as regards this procedure was what I think he called

plastic, that the Italian Government were not seeking either to unhorse the President of the Conference or to avoid its continued good work, but that they did feel that in the time immediately before us the most useful way of promoting the prospects of real agreement would be, not to go on day by day with these discussions, these challenging views, in the absence of an essential party, but rather to pursue supplementary and parallel efforts. They declared that they only desired to seek a solution where it would be found, that they were not committed to any one line, and that they were anxious to co-operate with the rest of us in whatever precise line turns out to be the best line.

In the same way the distinguished representative of France, acting on behalf of his Government, did not take up a rigid position. He was anxious for a course of procedure which would be so shaped as to produce the best prospects of results in the least possible time, and at the same time was as insistent as we were that the Conference must be kept in being, that whatever may be the disappointments, whatever the delays, whatever the difficulties, nothing would be more fatal to the whole effort than to cast that method aside when you have not another method to substitute for it.

That was the situation which resulted in the meeting of the Bureau last Wednesday when an absolutely unanimous view was taken. I must say that it did not look like it three days before. Do not let the House imagine that the Bureau is simply a Committee of the Great Powers. It is not. It consists of seventeen States selected by a perfectly free vote of the whole assembly, the whole Disarmament Conference, and as a matter of fact the majority of the members of the Bureau therefore are small States, drawn from different parts of the world, many of them represented by statesmen and spokesmen of very great influence and authority.

The announcement that was then made by the President, who had taken part in all these preliminary deliberations and with whom I am very happy to feel that the British Government co-operated throughout in the most completely friendly spirit—the President made an announcement which was then generally accepted by every member of the Bureau. I will call attention to three features of it. First of all, he announced that the suggestion had been adopted that

‘the work of the Disarmament Conference would at this stage best be assisted by parallel and supplementary efforts between various States and the full use of diplomatic machinery.’

Of course, the thing is necessarily general, but I will say a word

about application in a moment. That is the first feature to which I call attention. The second feature was thus expressed:

‘These efforts shall be at once undertaken with energy, with a view to advancing in every way possible the work before the General Commission.’

There are cases when people adjourn for the purpose of doing little or nothing, but this, whatever else it is, is a suspension which declares, with the assent of every member of the Bureau, that it is for the purpose of undertaking with energy work for advancing in every way possible what lies before the General Commission.

Thirdly, the President announced, as a result of these conversations and the proposals which were unanimously approved, that the Governments—not merely the great States, but any Government which was able to do so—should keep the President informed of their efforts, and that they should report to him on the final results of those efforts.

I never desire in these matters of procedure for a moment to represent that they have the same importance or the same significance as the agreements we are all seeking to reach on matters of substance, but I do say, and I hope the House will think, that it is in fact a real satisfaction to know that whereas there might have been a most bitter controversy, owing to Germany’s withdrawal, as to what was to happen next, with the result that those who want to see the Conference fail would only be delighted—instead of that, by good feeling and good sense and complete and friendly co-operation, there has been that unanimity on procedure which is an essential preliminary to agreement on substance.

That raises the point, what is going to be done now? I am not going to mistake promise for performance. It is much too difficult a case to speak in a jaunty and what hon. Members opposite call a self-satisfied way. I shall say something about complacency in a moment: that is the knockabout business. Our view, and we are already taking steps to follow it, is that we should play our full part in endeavouring to promote what have been called these diplomatic consultations. We have already made it plain to the French Government—unhappily that Government fell last night, and there will have to be a change of Government, but I do not believe that in this respect French policy will change—we have indicated to France that if they see their way to enter into closer communication with the German Government, with Berlin, they have our complete good will in so doing. If we can give any help in bringing about that closer

association we shall be most happy to do so. We are indicating directly to the German Government and to Herr Hitler himself that we have taken a most attentive note of the declaration that he and other representatives of Germany have recently been making, that the whole of our influence will be used for the purpose of trying to bring about again a spirit of negotiation and of co-operative action instead of keeping Germany at a distance.

We have communicated with Italy to say how well satisfied we are to learn that she is agreed with us as to the importance of keeping the Disarmament Conference in being, and how satisfied we are that the present procedure, which Italy has been urging upon us, is the correct procedure; and that we mean, along with communications with Paris and Berlin, to work in close touch with the Italian Government and its head, because that is the only means by which it is possible to keep contact between those different great capitals and great Powers. You could then prepare the ground for that which has to be done next at Geneva. I beg the House to believe that no one is more anxious to get on with what is called the Second Reading of the British draft than we are. Nobody has ever said 'Substitute another draft for it'. It holds the field, but there is a vast amount of work to be done before the discussion of the Second Reading of that draft could be usefully undertaken. That is not want of will or determination. It is the fundamental difficulty of finding a way of reconciling rival ambitions and separate suspicions and adjusting the whole of this elaborate scheme, not to suit us, but to suit sixty-five nations in every part of the world.

In conclusion, on that, I shall endeavour to state in two or three simple propositions the view which we take of British policy in this connexion at this time—and this is all I need say to-day on this particular matter. I would formulate it for the consideration of the House in these two or three sentences. First, the adjournment of the Disarmament Conference does not mean the adjournment of work for disarmament. It means the very opposite. The Government intend that this period of suspension shall be devoted without delay and without intermission to exchanging views between the different Governments, in order—I am almost exactly using the words of the President—to prepare the ground on which the Conference can resume its work, ground which at present has been so shaken by Germany's withdrawal. That would be my first proposition.

I think it would be useful to add a second. How those exchanges of views can best be carried on must depend on circumstances. As I have said, we are already taking some steps, but, in the first instance

at any rate, the Government consider that these exchanges should be conducted through the diplomatic channels in the form of bilateral conversations. Thirdly, we welcome the assurances of Herr Hitler that Germany's one desire is for peace and that she has no aggressive designs. We hold, as indeed the Prime Minister said when he spoke at Geneva, that Germany also has her contribution to make in order to render general disarmament possible in practice. We hope that, as an outcome of the exchanges of views that are now going to be undertaken, it will be found possible to translate those assurances into such concrete shape as will help to build up that international security which is an indispensable condition of disarmament. While it is useless, idle, and provocative to discuss recent history and try to apportion blame, the fact is that Germany's announcement, not merely that she is going to withdraw from the Disarmament Conference, but that she has in her mind two years hence to withdraw from the League—that announcement, I say publicly, is in itself a fact which has increased the sense of insecurity, for, after all, the League is the great central institution, the full working of which has been recognized as constituting the essential element of world security.

Lastly, if we admit those propositions, I would endeavour to state an alternative which at least cannot be accused of not having the feature of facing the real facts. The real facts are that the whole world, looking into this dark future, sees that the choice is going to be between regulated armament on the one hand and unregulated armament on the other. I say here, and I hope I can claim to speak for us all, that the whole weight of any Government in this country and any House of Commons, the whole of British public opinion, will be thrown unreservedly into the scale on the side of securing regulated as opposed to unregulated armament.

(xiv) *Extract from Speech by the Rt. Hon. Stanley Baldwin, Lord President of the Council, November 27, 1933*¹

The present positions are extremely difficult. The absence of Germany from Geneva, her notice to leave the League, the notice given by Japan to leave the League, the knowledge that Germany will not discuss disarmament at Geneva, all make the position one of extreme difficulty. I think it is well that we should look at facts, and that we should realize that there are three possible ends to the discussions that have been taking place. You may have a disarmament of all countries to the level of existing German armaments; you may have

¹ From *Hansard*, November 27, 1933. Cols. 650-2.

a limitation of armaments at a point which excludes all large offensive weapons. Their size and quality are very well known to those who are familiar with the technical discussions. In that event, you would have the heavily-armed nations disarming to a point. You would have Germany in time rearming to that point. The third alternative is competition in armaments.

Those are three possibilities. What I say then is that in no circumstances must that third alternative be reached. I gathered from the speech of the Foreign Secretary, and particularly from the cheers that greeted various parts of it, that it is not the opinion of this country that you can keep any other country in a permanent position of inferiority of status regarding armaments. You cannot expect the country in that position to have the will to remain there. Military students will remember the limitation of numbers that was imposed on Germany after the battle of Jena, and within a few years, at the battle of Leipzig, that country had a large, powerful, and well-equipped army. It is interesting to remember that at that time Europe viewed France very much as she has viewed Germany, and yet in the years immediately preceding the War, and to-day, and for years, France has been the most pacific nation in Europe. A real change came in her, and what we have to hope for is that such a change may come in Germany, not when she is in a position of conscious inferiority of status, as she was after Jena, but when she is once more—in the words of the Foreign Secretary—‘a partner in these matters’. She has vast problems at home to settle, fearful problems; she has vast masses of unemployed. She needs peace; does she want it? We hope so. We have to find out. We, the French, and the Italians must all get into direct touch with her and find out where we all are, and see what can be done and on what lines we may hope to progress.

Whatever may be accomplished, I see no reason at all why it should not be brought ultimately and before final agreement into the four corners of our Convention; that it may be brought back once again into the League of Nations. If that should be the happy result, then, after a few years, if perfect loyalty and agreement are shown by every nation, then there might again be every hope inside the League of getting further reductions, and so proceeding step by step until some day we may see that ideal disarmament that all men would like to see, but which hardly any but a few enthusiasts believe to be possible in the immediate future. Of the French I would merely say this. They and we are the inheritors and the possessors of a great and ancient civilization. If what we have preserved and what we

have to give the world is lost, in my view the world would not be worth living in. Our interests are very close; our friendship is tried and is secure, and I hope that they may be side by side with us in this struggle for a secured peace, which they want from their souls as much as any man in this country.

(xv) *Extracts from Speech by M. Paul Hymans, Minister for Foreign Affairs, November 29, 1933*¹

Mais nous nous trouvons à une heure difficile; de graves problèmes, dont la paix dépend, sont posés. Est-ce bien le moment de soulever des débats rétrospectifs, d'entreprendre des campagnes tapageuses qui ne peuvent que troubler l'opinion et la diviser?

Concentrons, au contraire, notre attention sur la situation actuelle et tâchons d'unir nos efforts pour surmonter les difficultés présentes.

Le Pacte rhénan (Locarno) est un traité de garantie mutuelle qui consacre le maintien du 'statu quo' territorial et l'inviolabilité de notre frontière de l'Est telle qu'elle est établie par le Traité de Versailles et en exécution de celui-ci.

Les territoires d'Eupen-Malmédy sont incorporés à la Belgique en vertu du Traité de Versailles. Leur frontière est la frontière belge et la frontière belge est reconnue, consacrée et garantie par le Pacte rhénan, que l'Allemagne a librement proposé, négocié et conclu.

La position de la France et de la Belgique est la même. Elles se doivent mutuellement assistance. Et la Belgique, comme la France, a droit à l'assistance de l'Angleterre et de l'Italie.

Le Pacte rhénan nous assure une garantie plus précise et plus forte que la vague garantie dont les traités de 1839 avaient revêtu la neutralité belge, et qui, cependant, en 1914, déclencha l'intervention de la Grande-Bretagne.

Enfin, le Pacte rhénan, signé avec nous par la France, l'Angleterre, l'Italie et l'Allemagne, constate l'abrogation des traités de neutralisation de la Belgique. Ils ont été détruits par la guerre. Et la Belgique jouit désormais d'une souveraineté totale, sans condition ni restriction.

5. THE GERMAN CLAIM TO EQUALITY OF RIGHTS IN ARMAMENTS²

Having left the Disarmament Conference on October 14, 1933, and given notice of Germany's withdrawal from the League of Nations, Herr Hitler first made secure his own position within the Reich and then proceeded towards the attainment of equality of rights by means of bilateral

¹ In the Chamber, *L'Indépendance Belge*, November 30, 1933.

² See *Survey* for 1933, Part II, and *The Deadlock in Disarmament*, chap. ix.

negotiations. The general elections were held on November 12, and on the same date the German people were also required, in a referendum, to answer the question 'Do you approve the policy of the Government laid before you, and are you ready to affirm and solemnly pledge yourself to this policy as the expression of your own view and your own will?' 92.2 per cent. of the valid votes cast in the elections were in favour of the candidates of the Nazi Party,¹ and 95.1 per cent. of the votes cast in the referendum were in favour of the Government's foreign policy. The Chancellor was, therefore, in a position to demonstrate to Europe that he was indeed the leader of a united people, and that, when he spoke, he spoke indeed for Germany.

By the close of the month the Chancellor, who had been unsparing in his efforts to assure Europe of the pacific intent of the new Germany, considered the ground sufficiently well prepared to put forward the views of his Government regarding the conditions on which disarmament negotiations might be resumed, and, having had conversations with the British, French, and American Ambassadors, he crystallized the German proposals in the form of a Memorandum which reached Paris on December 18.²

The German Government offered to France a non-aggression pact for ten years, and repeated its demand for a short-term *Reichswehr* of 300,000 men suitably equipped with all weapons which the Disarmament Conference had defined as defensive. The idea of a 'probationary period' was once more vehemently rejected.

The French reply was handed to the Chancellor on New Year's day, 1934,³ and showed that, far from accepting the German proposals, the French Government had diverged little from the views expressed by Sir John Simon on October 14. The 'probationary period' was tenaciously retained, and the only item resembling a concession was a very tentative statement that, if all other countries did the same, France might envisage a reduction of 50 per cent. of her air material actually in service.

A period of three weeks elapsed before the German counter-reply was communicated on January 19, 1934,⁴ when it was found that Germany had abated none of her claims and that the position remained substantially unchanged.⁵ The main difference between the two countries was the size of the transformed *Reichswehr*; the German claim to possess immediately all defensive arms sufficient for the augmented army, which was completely unacceptable to France, and the 'probationary period', which was summarily rejected by Germany. On these points both parties remained adamant, and the correspondence was terminated by the French Government in an *aide-mémoire* dated February 13,⁶ in which it was made clear that the German point of view could not be accepted in important respects, and that it was felt useless to follow the German Government into the questions of detail which were annexed to their Memorandum of January 19. There was a notable stiffening in the tone of the French *aide-mémoire*,

¹ 95.2 per cent. of the German electorate voted: 2,101,004 votes were cast against the Government, and 750,282 voting papers, an unprecedented amount, were found to be invalid.

² See below, p. 328.

³ See below, p. 332.

⁴ See below, p. 338.

⁵ Annexed to the German Memorandum was a list of thirteen questions of a technical nature. See below, p. 345.

⁶ See below, p. 346.

which intimated that the present situation could not continue indefinitely, and that a decisive solution must be found in the future.

To this document the German Government made reply on March 13,¹ reiterating their previous demands and emphasizing the fact that both Great Britain and Italy were prepared to make concessions. They further stated that, after a Disarmament Convention acceptable to Germany had been concluded, they would be prepared to discuss the question of her return to the League of Nations.

Parallel with this exchange of views between France and Germany there had been in progress a series of negotiations between Great Britain and Germany, which had their origin in the conversations between the British Ambassador in Berlin and the German Foreign Minister in the third week of November, in the course of which an intimation of the German proposals was given. As a result of the report of the Ambassador, the British Government addressed a Note to Berlin on December 20, to which a reply was received on January 22, 1934,² and it was in response to this that the British Government, in a Memorandum dated January 29 and addressed to all the Powers attending the Disarmament Conference, made clear its position with regard to the existing disarmament situation.³

Before expressing publicly the views of the British Government, the Foreign Secretary, Sir John Simon, had conferred with Signor Mussolini in Rome in the first days of January, 1934, and had become acquainted with the views of the Italian Government, which were contained in a Memorandum made public on January 31.⁴ Briefly, the Italian policy was based upon the somewhat gloomy opinion that any great degree of disarmament was now impossible of achievement, and that, therefore, an effort should be made to reach an agreement on the basis that the most heavily-armed Powers would undertake not to increase their existing armaments.

The British Memorandum, however, which was dispatched on January 29,⁵ took the view that certain classes of weapons must be abandoned by the most heavily-armed Powers and at the same time made very considerable concessions to the German claims. In an effort to meet the French demands for increased security, the British Government proposed to strengthen the provisions of Part I of the British Draft Convention of March 1933 by the addition of three new Articles which provided for the immediate consultation of the High Contracting Parties in the event of an alleged breach of the Convention, the object of such consultations being 'to exchange views as to the steps to be taken for the purpose of restoring the situation and of maintaining in operation the provisions of the present Convention'.⁶

The British Memorandum was the subject of a debate in the House of Commons on February 6th, when Sir John Simon gave an *exposé* of the objects which it was hoped to attain by means of the new proposals.

Mr. Anthony Eden, the Lord Privy Seal, visited Berlin, Rome, and Paris from February 16 to March 1, for the purpose of expounding the British Memorandum and of collecting the views of the various Governments concerned towards it.

¹ See below, p. 350.

² See below, p. 360.

³ See below, p. 360.

⁴ The texts of these notes have not been published.

⁵ See below, p. 354.

⁶ See below, p. 365.

The Memorandum received a certain amount of approval in Berlin where it was considered as helpful, but the German Government found it impossible to accept the aerial provisions, and informed Mr. Eden that they wished to possess a defensive Air Force of short-range machines, not including bombing planes, from the beginning of the Convention, the numerical strength of which would not exceed 30 per cent. of the combined air fleets of Germany's neighbours, or 50 per cent. of the military aircraft possessed by France, whichever figure was the less. The German Government was prepared to agree to the institution of new regulations to ensure the non-military character of the S.A. and S.S., which character would be verified by a system of supervision. The Government were, however, adamant on the point that Germany's return to the League was only possible after the solution of the question of disarmament and, more especially, of equality of rights.¹

In Rome Mr. Eden found that the Italian Government was prepared to accept the British Memorandum if agreement could be reached on such a basis, even though they believed that their own was probably more practicable.

The French Government of M. Doumergue, however, which had come into existence after the riots of February 6 and the consequent resignation of M. Daladier, was so occupied with internal affairs that it had not had sufficient opportunity to consider the British Memorandum in time to allow Mr. Eden to receive their comments. These were, however, handed by the French Ambassador in London to the British Government on March 19 in the form of an *aide-mémoire* in which the French Government expressed their appreciation of the British proposals for consultation in the event of a breach of the Disarmament Convention, but intimated their desire for a further and more definite guarantee of security before they could consider any further degree of disarmament.²

In making this reply the French Government had been strongly influenced by an event which had taken place in Brussels some two weeks earlier.

Speaking in the Belgian Senate on March 6³ the Prime Minister, the Comte de Broqueville, made it clear that the policy of his country was opposed, on the one hand, to an investigation of German rearmament under Article 213 of the Treaty of Versailles and, on the other, to a preventive war, and advocated the conclusion of a Convention for the limitation of armament with the minimum of sacrifices and the maximum of guarantees.

This speech was regarded in France with anxiety as weakening the united front against the dangerous consequences of German rearmament, and an attempt was made two days later, on March 8,⁴ in the Chamber by the Foreign Minister, M. Paul Hymans, to dispel this impression.

In reply to the questions raised in the French Note of March 19, the British Government replied on April 10⁵ with a further inquiry of its own as to what was the exact nature of the 'guarantees of execution' which the French Government proposed. But the tone of the French reply was materially affected by the publication on March 29 of the German Military

¹ These views were officially communicated to the British Government in a Memorandum dated April 16. See below, p. 384.

² See below, p. 375.

⁴ See below, p. 374.

³ See below, p. 373.

⁵ See below, p. 380.

Budget for 1934-5. This showed an increase in air armaments alone from *R.M.* 78,000,000 in 1933-4 to *R.M.* 210,000,000 (£10,500,000 at par). The *Reichswehr* estimate amounted to *R.M.* 574,545,000 as compared with *R.M.* 344,900,000 in the previous year. As a result of questions in the House of Commons the British Government made inquiries through the Ambassador in Berlin and received a reply on April 11 which pointed out that the Treaty of Versailles placed no restrictions on military expenditure, and explained the increase in the Army estimates as being due to the reorganization of the *Reichswehr* on a short-term basis. The Navy, it was explained, was dangerously antiquated and must be reconditioned; and the increased expenditure in the Air was accounted for by the replacement of single-engined transport machines by multi-engined planes.

When, therefore, the French Note was received in London on April 17,¹ it was found to be couched in terms very different from those which had been originally anticipated. The French Government ignored the British inquiries as to the nature of the guarantees, which had been requested in the French Note on March 19, declaring that Germany, by increasing her service estimates and by perfecting her para-military organization as 'an instrument suited to war', had destroyed the basis of the negotiations. The Note called for a resumption of the work of the Disarmament Conference at the point where it had been left when negotiations were begun after the withdrawal of Germany in October 1933. This Note was regarded as the close of direct negotiations.

(i) *Memorandum communicated by the German Government to the French Ambassador in Berlin, December 18, 1933*²

I

In view of the attitude adopted by the heavily-armed States, and more especially France, at Geneva during the disarmament negotiations, the German Government cannot share the opinion that there is at present any real prospect of general disarmament. It is convinced that new efforts in this direction would be as vain as the negotiations of the last few years have been. If this fear should prove unfounded, no one would be more sincerely pleased than the German Government.

Without wishing to examine the numerous considerations on which the German Government's conviction is based, it is nevertheless impossible not to mention two essential facts:

1. The reduction of the armaments of other European countries can only be practically considered if such reduction be carried out by every country in the world; but nobody believes any longer in the possibility of such general international disarmament.
2. The events of the last few months make it clear that, even if the

¹ See below, p. 381.

² Published on March 9, 1934. League Document, 1934, IX. 1.

Government of certain countries were seriously contemplating the possibility of disarming, they doubtless would not be in a position to present, with any hope of success, proposals to this effect to their parliaments for ratification.

For these reasons, the German Government feels that it can no longer cling to an illusion which can only complicate the relations between the various peoples instead of improving them. Having regard to the actual facts, therefore, it feels justified in making the following statements:

- (a) Germany is the only country that has genuinely discharged the disarmament obligations embodied in the Treaty of Versailles.
- (b) The heavily-armed States either have no intention of disarming or do not feel in a position to do so.
- (c) Germany is entitled to obtain, in one way or another, equality of treatment as regards her own security.

These were the facts in the mind of the German Government when it put forward its last proposal for the settlement of the problem. The statement that France has signified at Geneva her acceptance of a specific programme of disarmament in no way alters the force of these statements; for the programme which is doubtless alluded to involved conditions which Germany could not accept, and which compelled the German Government to leave the Geneva Disarmament Conference.

If the other nations should decide—as the German Government is at present convinced that they will not do—to disarm completely, the German Government announces in advance that it would be prepared to adhere to such a Convention, and to disarm also, if necessary, down to the last gun and the last machine-gun.

If France, in particular, were ready to disarm in accordance with a specific programme, the German Government would be obliged if the French Government would furnish it with figures relating to the steps it would propose to take (effectives, material, period for execution, date of starting and numerical supervision of execution).

The German Government cannot see how the adjustment of Germany's armaments, the requirements of her security, and their partial adjustment to the level of the armaments of neighbouring States, could lead to a general increase in armament and be the starting-point of an armaments race. The German proposals concern defensive armaments exclusively. They are so moderate as to leave French armaments still superior. Furthermore, they preclude any armaments race because, according to these proposals, those countries

which are already heavily-armed would undertake not to increase their armaments.

The German Government's plan can be summarized as follows:

1. Germany will receive complete equality of rights.
2. The heavily-armed States will undertake among themselves not to exceed the present level of their armaments.
3. Germany will adhere to this Convention, undertaking of her own free will to show such moderation in availing herself of the equality of rights to be conceded to her that this equality cannot be regarded by any European Power as an offensive menace.
4. All States will acknowledge certain obligations in regard to the humane conduct of war and the non-employment of certain weapons against the civil population.
5. All States will accept a general and uniform system of supervision to verify and ensure the observance of these undertakings.
6. The European nations will guarantee among themselves the unconditional maintenance of peace by signing pacts of non-aggression, to be renewed after a period of ten years.

II

Having laid down these essential principles, the German Government makes the following remarks in regard to the particular questions put to it by the French Ambassador:

1. The figure of 300,000 men represents the strength of the army that Germany needs on account of the length of her land frontiers and the effectives of her neighbours' armies.

2. It will, of course, take several years to convert the *Reichswehr* into a short-service army of 300,000 men.

Financial considerations will likewise have a capital influence on the duration of this period of transformation.

3. The number of defensive arms claimed by Germany should correspond to the normal proportion of such arms in a modern defensive army.

4. The progressive realization of this armament should necessarily proceed *pari passu* with the conversion of the *Reichswehr* referred to in paragraph 2.

5. The German Government is prepared to agree to a system of general and uniform international supervision, operating periodically and automatically.

6. When this supervision would begin to operate is a particular question that cannot be settled until agreement has been reached on the fundamental questions.

7. The conversion of the *Reichswehr* into a short-service army of 300,000 men will in no way affect the nature and character of the S.A. and the S.S.

The S.A. and the S.S. are not military organizations, and will not become such in the future. They are an inseparable factor in the political system of the National-Socialist revolution, and hence in the National-Socialist State. They comprise some 2½ million men, ranging from the age of 18 years to extreme old age. Their sole mission is to organize the political masses of our people so as to make the return of the Communist peril impossible for evermore. Whether this system will be abolished depends upon whether the Bolshevik danger continues or disappears. The National-Socialist organizations opposed to the former Marxists 'Reichsbanner' and the 'Association of Communist Ex-Soldiers' have no military character whatsoever. The attempts that have been made to establish a military connexion between the S.A. and S.S. and the *Reichswehr*, and to describe the former as auxiliary military formations, emanate from political circles which see in the abolition of this protective organization of the National-Socialist movement the possibility of a fresh disintegration of the German people and a resumption of Communist activity.

In order to establish the peculiar character of the S.A. and S.S. as political organizations whose aim is to immunize the country, intellectually and physically, against the risk of Communist disintegration, the German Government does not refuse, on the application of the supervision provided for the carrying-out of the Convention, to produce evidence of the literal truth of its assertions.

8. The German Government is prepared to consider the establishment of common rules for political associations and organizations for preparatory and advanced military training in the various countries.

9. The answer to the question regarding the supervision of such organizations in the various countries will be found in the particulars given at the end of paragraph 7 on the subject of the S.A. and S.S.

10. The content of the pacts of non-aggression which the German Government is prepared to sign with all its neighbours may be judged from the practice of the post-war period.

11. Whether, and to what extent, so far as Franco-German relations are concerned, the Rhineland Pact of Locarno concluded in 1925 gives rise to any particular considerations is a legal and technical problem which can be reserved for separate negotiation later.

12. The German Government is prepared at any time to settle amicably, by whatever procedures may seem most appropriate, any disputes that may arise between France and Germany.

III

The restoration of the Saar Territory to Germany without a plebiscite was suggested purely with the object of avoiding, if possible, the excitement of public opinion in France and Germany by which the plebiscite would be attended, and of sparing the Saar population the disturbance of an election campaign, the issue of which is not in doubt. If the French Government takes the view that it cannot consent to the restoration of the Saar Territory to Germany without a plebiscite, the German Government regards the question as settled.

IV

Having again quite clearly stated its views on the settlement of the disarmament problem, the German Government considers that further conversations have no chance of leading to any definite result, unless the other Governments, in their turn, unequivocally state their attitude to the German Government's view and indicate clearly and in detail how, for their part, they think that the problem can be solved.

(ii) *Memorandum communicated by the French Ambassador to the German Chancellor, January 1, 1934*¹

On several occasions the German Government had expressed the wish to which its Head had given particularly solemn emphasis, to see negotiations opened between France and Germany, in which the difficulties which may exist between the two countries should be settled.

No less clearly the French Government has replied to these overtures. It has affirmed its intention of examining, with a sincere desire of achieving results, all proposals which might be formulated in the general interest of peace and in a real spirit of international collaboration. The French Ambassador has been instructed to express the desire to see the intentions manifested by the Chancellor given concrete shape in a manner sufficiently complete for the Government of the Republic to be in a position to appreciate the possibilities of success for the negotiations.

The German Government has been good enough to agree to these views. Declarations have been made to the French Ambassador; information has been given to him both verbally and in writing. Such information now allows the French Government, after having proceeded to the more detailed examination which the Ambassador had

¹ Published in Paris, February 1, 1934. British White Paper, Cmd. 4512.

foreshadowed, to pronounce itself on the various points that have so far come under consideration.

Dealing only with the German Government's propositions themselves and without discussing for the moment the general considerations cited in support of these proposals, particularly in regard to the state of Germany's armaments, the Government of the Republic is sincerely glad to learn that the German Government is ready to conclude pacts of non-aggression with all its neighbours; it goes without saying, moreover, that the conclusion of such pacts would only be opportune in so far as, while in no way detracting from the guarantees of security resulting from agreements already in force, and in particular the Locarno Agreements, the conclusion of such pacts would be capable of adding new guarantees furnishing protection to the signatories both from any threat against their external independence and from any attempt at interference in their internal affairs.

Similarly, the Government of the Republic notes with satisfaction the German Government's acceptance, at least in principle, of automatic and periodic supervision on the spot, a supervision equal in its reciprocity, without which, in point of fact, any international convention concerning armaments would be inoperative. It remains, moreover, to lay down precise details of the manner of its application, and the French Government would be glad to know whether Germany accepts the measures contemplated in the course of the recent work of the Committees at Geneva, in which she unfortunately did not participate.

But, under reserve of details to be worked out later and on which agreement seems possible, one question of paramount importance has held our attention, and we must explain our point of view in all frankness.

At the same time as the Reich affirms its goodwill within such conditions as should facilitate a settlement of the present difficulties, it feels obliged in regard to armaments to announce a programme of claims which run directly counter to the principles sanctioned hitherto by the Geneva Conference with the assent of the German delegation itself and expressly envisaged by the declaration of the Powers of December 11, 1932, to which the German Government constantly refers.

Germany and ourselves have been associated in the work of the Conference, whose object is to achieve by stages a substantial reduction of armaments. Now, what the German Government seems to contemplate at this stage is a no less substantial rearmament, which is represented as only being possibly deferred as a result of financial considerations.

From the details which the German Government has been good enough to communicate, it appears, indeed, not only that Germany asks for permanent effectives to be raised to 300,000 men, but even that this figure of 300,000 men would be far from representing the total of the military forces which it would have at its disposal at any moment without having to have recourse to any measure of mobilization.

There must be added, in fact, an important fraction of police effectives, the military nature of whose organizations has been recognized in the earlier work of the Conference, and whose suppression does not seem contemplated in spite of the considerable increase of permanent effectives which would result in the programme contemplated by the German Government.

There must be added to the above the para-military organizations which have not ceased to multiply for some years, and which since the arrival in power of the present régime have so far developed and gained in consistency that, independently of the political considerations which the German Government urges and of which it is the only judge, these organizations raise a military problem which cannot be eluded.

The French Government must remark indeed that at least a great part of the men belonging to these organizations receive advanced military instruction from cadres furnished by the *Reichswehr* or trained by it; that, if they are not all armed in a permanent fashion, they are at least trained in the handling of engines of war; that they are at any moment at the disposal of their chiefs; that their equipment, except for the carrying of a rifle, is in every respect comparable with military equipment; that beside the infantry units these organizations now include mechanized units, cavalry units and engineers; that their organizations and their division into localities are closely based on those of the army (companies, battalions, regiments, brigades, divisions, military areas).

In these conditions, whatever may be the political preoccupations quoted, the possibility of military utilization of these organizations appears undeniable and the French Government can only maintain, in accordance with the previous decisions of the Conference, that any convention for the limitation of armaments which, in calculating effectives, did not take into account the existence of such formations, would not be able to set up an equitable comparison between the forces to be considered.

The French Government also notes that in respect of land and air material the German Government asks for an important measure of

rearmament both of a quantitative and of a qualitative order, and asks for it immediately, invoking that equality of rights, the principle of which was recognized in the declaration of December 11, 1932. But this equality presupposes, in order to be practicably and equitably realized, a previous equalization and a standardization of the effectives allotted to each country for the defence of its territory. It is Germany herself which considers that several years are necessary to achieve this.

Finally, the French Government observes that if the German Government gives its support in principle to supervision it does not indicate from what date this supervision should begin to operate. Now, the setting-up and trying out of this supervision in conditions of complete reciprocity are the essential conditions of the loyal application of the convention; this alone can ensure that the contemplated reductions are made in mutual security.

The French Government does not consider that a convention established on such bases would meet the intentions of the Powers generally, as they have been expressed in the discussions of the Conference, and it is certainly not in this spirit that the declaration of December 11 was signed. The French Government fears that such a convention might prepare, on the contrary, a race in armaments which the common efforts of civilized nations should tend to prevent.

It is precisely in order to set aside this danger that, at the moment when Germany left the Conference, the French Government was ready to accept an adaptation of the British plan, which, while taking account of the political uneasiness existing in Europe and also the practical conditions necessary for realization, would achieve by stages an important reduction in armaments as well as equality of rights.

The Government's intentions have not varied and it eagerly takes this opportunity to furnish the details asked for by Baron von Neurath in his last communication.

France is ready to accept an adaptation of the British plan which would involve, in the first years of application of the convention, a reduction of French effectives, to be synchronized with the transformation of the existing German forces in such a way that the two armies should be standardized on a type of defensive army with short-term service and limited effectives, in order to arrive progressively at the parity of French and German comparable effectives, that is to say, of those which are intended for the defence of the home territory.

As regards land material from the beginning of the application of the convention, France is ready to accept that all her armaments shall

be restricted to their present level, and, in addition, the prohibition of all manufacture of material of a calibre or tonnage superior to those which would be authorized for all States.

At the same time, the experimental and detailed application of supervision will be made and applied to all States, both for effectives and for the manufacture or importation of material.

In a second phase of the application of the convention, on the one hand material above the common qualitative limits laid down in the convention would be progressively abolished, and on the other hand authorized material would be allowed to the States affected by the military clauses of the Peace Treaties, in accordance with a progressive scheme also to be laid down in the convention.

The French Government is ready to draw up exact figures for effectives, calibres and tonnages to be written into a convention conceived on these lines. But it is clear that these figures cannot be usefully discussed, except between all the interested Powers, and that an understanding between France and Germany alone would not be sufficient to establish them.

At the same time, in order that the German Government may be fully convinced of the importance of the reductions which would be effected in the second phase, it is possible to indicate at once that France would gladly contemplate arriving at a reduction to 15 cm. of the calibre of mobile artillery to be permitted to all States.

As regards air armaments, and in the first years of the application of the convention, France accepts not only the abolition of aerial bombardment in the conditions which the Conference defined in its Resolution of July 23, 1932, but a proportional reduction of 50 per cent. of the material actually in commission, if such a general reduction were accepted by the principal air forces and accompanied by an effective control of civil aviation and aeroplane manufacture.

She considers, moreover, that the final objective of these important reductions should be the abolition of all national military aviation and its replacement by an international air force.

The main outlines of this programme, of which France is ready to discuss the details with Germany and the interested Powers, will suffice to show how inexact is the premiss on which the German Government relies in order to engage the conversations along the path of rearmament. We, on the contrary, believe that a progressive disarmament is still as possible as it is desirable, and that the adoption of the programme defined above, the detailed working out of which was only interrupted by the departure of Germany from the Disarmament Conference, offers, if Germany will collaborate in the study

of it, the most considerable chances of achieving what should be a common objective: a general, substantial and progressive reduction of armaments freeing the world of a burden which the economic crisis renders heavier and more dangerous, and which menaces both the peace and the economic welfare of all countries.

Moreover, whatever may be the divergence of views on the essential problem, which the Chancellor's communications may have allowed to appear—a divergence which does not seem irremovable if the German Government would only convince itself that the way of armament reductions remains wide open—the Government of the Republic would regret that the diplomatic conversations for which the German Government has several times expressed a desire were not to be pursued.

The Government of the Republic has, in fact, been happy to note the assurance that the German Government was disposed at any moment to settle in a friendly manner by the most appropriate means contentious questions which could arise between France and Germany. The French Government associates itself with this sentiment. It has not ceased to practise, even at the cost of heavy sacrifices, this very necessary policy of good neighbourly relations and understanding between two great countries, whose agreement in a common work of international collaboration would be the surest guarantee of peace.

Furthermore—given that in accordance with the Chancellor's assertion no territorial claim exists any longer between the two countries—examination of the problems which face Germany and ourselves will quickly convince the German Government that the majority of them are not purely Franco-German problems but European problems, and that France, in order to remain faithful to the policy of international collaboration, cannot envisage them to the exclusion of the various Governments interested and of the League of Nations itself.

But in order that no doubt regarding its own way of thinking may subsist, the Government of the Republic wishes to assure the German Government that all these problems can be examined between the two Governments in a spirit of mutual comprehension, once it is quite understood that the solution is not to be worked out apart from the Governments directly interested nor in a manner contrary to the provisions of a Covenant, to which we, like them, remain devoted. Thus also it is in the League of Nations that may be found the practical application of that equality of rights which Germany claims so firmly. It is there that international co-operation can best be exercised. The French Government has over and over again

proved by its actions that it did not conceive of such co-operation to the exclusion of Germany. It still hopes that the German Government will be convinced of these realities ; that it will not maintain in regard to the League of Nations a decision which has been unanimously regretted, and that it will not persist in an abstention, the consequences of which would be no less harmful to Germany than to the whole of the international community.

(iii) *Memorandum communicated by the German Chancellor to the French Ambassador at Berlin, January 19, 1934.*¹

The German Government have perused the *aide-mémoire* communicated to them on January 1 by the French Ambassador, with great interest. They welcome the fact that the French Government have accepted the suggestion for direct diplomatic negotiations on the problems pending between the two countries, and that on the most important and acute question, namely, the disarmament question, they have clearly set forth their attitude to the declarations of the German Government as well as the points which they themselves wish to make during the further discussion of this question. The German Government have examined the French *aide-mémoire* in a spirit of detachment and from the determining standpoint whether, and if so what, possibilities exist for the fulfilment of the idea of general disarmament. They wish to communicate the result of their examination to the French Government in all frankness because they think that this is the only way to avoid misunderstandings and to promote the understanding desired by both sides.

I

Before the German Government deal with the criticism of the German disarmament proposal contained in the French *aide-mémoire*, they would like to express their views regarding the plan which the French Government submit as a counter-proposal. If the German Government have correctly understood this plan it would in substance amount to the following:

The French Government would divide into two phases the period of validity of the disarmament convention which is to be concluded. During the first phase, the length of which is not definitely stated, but which would at all events encompass a period of several years, France would gradually reduce the effectives of her army. This reduction would synchronize with the transformation of the German

¹ Published in Berlin, February 3, 1934. British White Paper, Cmd. 4512.

Reichswehr, until ultimately numerical equality between the effectives of the German army and the French home forces was reached. Whether France contemplates any limits in this connexion on her oversea troops is not stated in the *aide-mémoire*. The existing French war material on land would be maintained undiminished during the first phase. On the other hand, France would refrain from manufacturing new material which exceed in calibre or tonnage the maxima fixed by the convention. As regards military aeroplanes France would be prepared during the first phase to reduce the machines at present in service by 50 per cent., on condition that the other large air fleets underwent a similar reduction, and that effective control of civil aviation and aeroplane manufacture were introduced.

In the second phase of the convention, i.e. after several years, the gradual abolition of land war material which exceeded the accepted calibre and tonnage limits would be taken in hand. Furthermore, the countries disarmed by the Peace Treaties would be allowed to equip themselves gradually with the types of arms approved by the convention. The details of the measures concerning war material to be executed during the second phase would be laid down in advance in the convention. But in all these steps the experience gained during the first phase, with the control procedure to be introduced, would be taken into consideration.

The French Government are of opinion that such a programme offers the best prospects of giving effect to universal, substantial and progressive disarmament and of emancipating the world from its heavy burden in the interests of peace and economic reconstruction. In order to get a clear picture, it will be necessary to realize in concrete fashion the position which would result were a convention to be established on the basis of the French plan. What would that position be?

In the important domain of war material disarmament would be postponed by several years. During that time the highly-armed States would retain the whole of their heavy land material undiminished, even in so far as it came into consideration for purposes of aggression. One must ask whether, from the standpoint of general security, it matters much whether the highly-armed States refrain from the manufacture of new heavy weapons of attack during this period? Germany would remain tied to the completely inadequate types of weapons set out in the Treaty of Versailles, and would at the same time have to proceed with the transformation of the *Reichswehr* during this period. How could the transformation of an army be executed in practice if the necessary material for doing so were not

provided in advance? How can Germany's security be at all safeguarded during such a transformation of the *Reichswehr*?

To come to effectives. The adoption of a uniform type of army would depend on the acceptance by other States of the type contemplated. Furthermore, the value of the reduction in effectives conceded by France during the first period can only be assessed if we know what is to happen as regards the French oversea forces. The French system of land defence has been based for some time to an important extent on the utilization of African troops in the home country. Consequently, a considerable portion of the French African forces are kept permanently in France. Furthermore, if the German Government are rightly informed, all the necessary measures of organization have been taken to bring the troops in Africa across to France at short notice. Must one not assume that the reduction of the home forces can always be made good by bringing overseas troops to the home country unless the latter are included in the effective to be reduced?

As regards air forces, one must consider whether the important principle of bringing all the great air fleets to a uniform level would not be abandoned if the method of reduction set out in the French *aide-mémoire* were adopted. But apart from that the question arises whether, during the first, and for that matter the second, phase of the convention, Germany is to remain deprived of any kind of military air force. If this question is to be answered in the affirmative, then the reduction of the air forces of the other States proposed in the French plan would practically make no alteration in the position of radical inequality and complete defencelessness of Germany in the air. The German Government are unable to see how this impossible position would be alleviated by the proposal to do away altogether with military aircraft at some indeterminate date in the future.

The arrangement contemplated in the *aide-mémoire* for the second phase would raise another important question. Are we to understand the remarks on control to mean that the whole régime during the second phase would be made to depend on the experience gathered during the first phase? Were that the intention, then the execution of general disarmament would also be attended during the second phase with a dangerous uncertainty factor. Control is to be applied, in principle, to all States uniformly. It is, however, obvious that the precondition for parity in the matter of control would not be present if this control, as a result of the radical difference in the degree of limitation, were to work out in actual practice quite differently in the countries already disarmed by the Peace Treaties as compared

with other countries. Would it not, inasmuch as it would have a much wider field of application in the countries already disarmed, lead much more easily to differences, no matter how loyally the treaty were fulfilled, than it would in other countries, differences which could then be used to delay the second phase still further?

Even if one could get rid of this danger, the decisive question remains for Germany whether the discrimination in her case is to be prolonged for a further series of years. Can the other Powers produce any valid reason for a plan so inconsistent with the honour and security of Germany? The German Government are absolutely convinced that they cannot. The assertion in the *aide-mémoire* that, according to the declaration of December 11, 1932, Germany's equality in regard to material is dependent on the previous execution of the transformation of the *Reichswehr* is borne out neither by that declaration nor by any other agreements, nor by the facts. In addition to the foregoing general points of view, many points of detail in the French proposals need clarification. Some of these questions are set out in the attached *questionnaire* and the German Government would be thankful for replies to them.

II

When the main points and consequences of the French plan are set out as in the foregoing, grave doubts arise as to whether a settlement of the disarmament problem, which is really fair or which would serve to secure peace, can be found along these lines. When everything is taken into consideration, the position seems to the German Government in much the same light to-day as a few months ago, when, as a result of the complete break-down of Geneva methods, she saw herself forced to leave the League and the Disarmament Conference and decided to make a new offer. The German Government most deeply regret that the French Government have not appreciated the genesis of that offer in their remarks in the *aide-mémoire*. It was not because they are abandoning the idea of disarmament and in its place wish to promote the rearmament of Germany that the German Government made their proposal. They must emphasize again that there is nothing which Germany desires so urgently as universal disarmament to the utmost possible degree. The German Government would still regard it as the best solution were all countries to reduce their armaments to the extent contemplated by the Treaty of Versailles. That would be the simplest solution of the question of German equality. At all events, there is no measure in the domain of quantitative or qualitative disarmament, no matter how far-reaching

which Germany would not be ready to accept at once if it would be carried out in the same way by all the other States. This unambiguous declaration, so often repeated, entitles the German Government to refute, with all possible emphasis, the allegation that the real aim of their policy is the rearmament of Germany.

If the proposal of the German Government aimed at seeking a first and rapid settlement on the basis of a limitation of the armaments of the highly-armed States at the present level of their armaments, this was only because, in their opinion, the passage of almost eight years' continuous negotiations has clearly shown that the highly-armed Powers chiefly concerned are not at present, for one reason or another, ready for a really trenchant disarmament. Even in the *aide-mémoire* of January 1 such a disarmament is not contemplated. It is, however, naturally, not the intention of the German proposal to put on one side those individual measures of disarmament on which an immediate agreement appears possible. On the contrary, the German Government want nothing more than that far-reaching limitations of armaments should be laid down in the settlement which they propose. As, however, the German Government understand the position to-day, these limitations will in no way reach an extent that will result in an immediate grant to Germany of equality rights in accordance with the declaration of December 11, 1932. If one faces this reality, there is no other way out, in order to reach an early settlement by treaty, than to lay down the measures of disarmament on which agreement is possible at the present moment, to limit the armaments of the highly-armed States for the period of the first convention to their present level, and to arrive at Germany's equality of rights by a certain adjustment of her armaments to the level of armaments in other countries. This proposal aims, therefore, at nothing else than drawing the consequences from a position which exists, but through no fault of Germany. It cannot be proposed that Germany shall take upon herself alone the consequences of this position by remaining subjected for years to unilateral limitations of armaments which are not applicable to other States and which have no relation to the level of armaments in those States.

It is, moreover, impossible to see how the execution of the German proposal could entail an armaments race. It would be for Germany only a question of creating a defensive army which could not in the remotest degree constitute a threat to any other country. In addition the German proposal specifically provides that for all States a fixed armaments limit should be laid down by treaty, by which means the possibility of an armaments race would from the outset be excluded.

Even less can the German Government recognize the objection that the figure of 300,000 men is too high for the German defensive army. This figure represents, in regard to the geographical circumstances, particularly in regard to the length and nature of the German frontier, the minimum which Germany in present circumstances requires for her security. This becomes particularly clear when one compares this figure with the armaments of the highly-armed States neighbouring Germany, of which, besides France, the States allied to her—Poland, Czechoslovakia and Belgium—must chiefly be taken into consideration. In this connexion it must be remembered that all these countries have at their disposal not only very great active armies, but also powerful masses of trained reserves, because, since the end of the war, on the ground of the universal military service in force in those countries, they have given training in the army to the whole of the youth which is fit for military service. These reserves, who have behind them a completed military training in the army, who moreover are obliged to take part in exercises and to serve in war, whose names are listed and recorded, and who in part may be called to the colours without mobilization, run to about 5,000,000 in France alone.

Germany has no comparable factor to set off against the trained reserves of other countries. In particular, it is impossible to put the political organizations existing in Germany on the same footing as the military reserves of other countries. It has already been repeatedly explained to the French Ambassador that the S.A. and S.S. formations have no military character. In addition, the German Government have already declared themselves ready to submit the non-military character of the formations in question to the proposed international control, in so far as other countries undertake a like obligation in regard to their similar organizations. By this means any danger that Germany should exceed the treaty strength of her army indirectly by means of the political organizations would be effectively prevented.

As regards the question of the police, it should not be difficult to reach an understanding. In the view of the German Government the number and density of the population, as well as the particular circumstances of individual States (number of large towns, social conditions, &c.), should be taken into account.

Finally, in considering the figure of 300,000, account should also be taken of the fact that it would be a question of soldiers with a short period of service, whereas the *Reichswehr* is composed of professional soldiers with twelve years' service. The French Government them-

selves have always expressed the opinion in the Geneva negotiations that the military value of short-service soldiers is to be regarded as considerably less than that of professional soldiers. From this point of view also it would be an erroneous view to regard the figure of 300,000 men as a substantial increase in the present defensive strength of Germany.

As regards the objections made in the *aide-mémoire* to the equipment of the future German army with weapons of defence, which is held by the German Government to be necessary, it has already been stated above that the transformation of the *Reichswehr* into an army of short service cannot be accomplished, in practice, unless this army is given the necessary weapons simultaneously with the transformation. If it was proposed first of all to transform the *Reichswehr* and only in a later period to arm it with the defensive weapons to be laid down in the convention, not only would the gravest difficulties of organization be created, but the result would above all be that the army would during the first years be in no way capable of fulfilling its task of defending the country.

Finally, as regards details of the scheme of control to be laid down in the convention, it is here a matter of technical questions, regarding which it will not be difficult to reach agreement as soon as the main material points of the disarmament problem are cleared up. On the assumption that complete parity were to be established, it would, in the opinion of the German Government, be only natural that the control should begin to function simultaneously with the entry into force of the convention.

III

The foregoing remarks show that the principal points in which the views of the two Governments on the disarmament problem still differ are those regarding the reckoning of the strength of the personnel and the date of the equipment of the future German army with defensive weapons. In both questions, however, in the opinion of the German Government, the required solution will present itself automatically, provided that the technical, legal and moral points of view which enter into the question are impartially examined. The French Government cannot fail to recognize that that which the German Government feel bound to demand in this connexion remains far less than that which Germany would have to be granted if equality of rights were really completely applied. Even if the future German army, with its short period of service, is 300,000 men strong, and even if it obtains the necessary defensive weapons simultaneously with the transformation of the *Reichswehr* into the new type of army, France

and the other highly-armed States will maintain a very great advantage in the realm of armaments. In these circumstances, the refusal of the German demands could only mean a refusal truly to recognize Germany's equality of rights. The German Government therefore hope that, if the French Government again take into consideration all the factors influencing the problem, they will not definitely exclude the German point of view, and that they will thus find the way to the agreement which is so urgently desired by Germany.

The German Government naturally share the opinion that the disarmament problem cannot be solved by negotiation between Germany and France alone, and that negotiations with all States concerned are necessary. These general negotiations will, however, be considerably facilitated by an agreement between Germany and France on the principal questions, for such an agreement constitutes one of the most important conditions for the conclusion of the disarmament convention.

The proof of Germany's readiness for international co-operation, and the spirit underlying that readiness, can be seen in her offer to conclude pacts of non-aggression. The external form in which such co-operation can best be realized in future is, in the view of the German Government, a question which should be reserved for future consideration. The pressing need of the moment is the settlement of the disarmament question, a successful issue to which would clear the way for the solution of the other political problems which are standing open.

ANNEX

1. To what maximum strengths will the total French effectives at home and overseas be reduced ?

2. In what manner will France's overseas troops and her trained reserves be reckoned under the settlement proposed in the French *aide-mémoire* ?

3. Is France ready to undertake neither to station nor to make use of overseas troops in times of war and of peace in the metropolitan territory, if the transformation of the armies into defensive armies with short service is not made applicable to the overseas forces stationed both at home and overseas ?

4. What will happen to the guns of the movable land artillery which exceed a calibre of 15 cm. ? Will they be destroyed ? Will the continued training in the use of these guns be permitted ?

5. What maximum tonnage will be proposed for tanks, and what will happen to the tanks which exceed this maximum ?

6. Does the French Government contemplate a limitation by

numbers of separate categories of weapons for all countries, a limitation which would include stocks? What are these categories of weapons?

7. With what material will those French troops be equipped which are not subjected to the standardization of armies?

8. Within what period would the 50 per cent. reduction of the aircraft in service be carried through? Will the elimination of the aircraft which are to be done away with be accomplished by destruction or in what other way?

9. To what will the control of civil aviation and of aircraft production apply, which, according to the French proposal, is to be the precondition for the reduction of the military aircraft in active service?

10. Will a definite term be fixed in the convention for the general abolition of military aviation, and, if so, what term?

11. Shall the prohibition of bombing, which the French Government is ready to accept, be general and absolute, or to what practical limitations shall it be subjected?

12. Are the remarks in the *aide-mémoire* regarding the control of war material to be understood to mean that France is only ready to accept for herself the control of manufacture and of importation, or will this control extend to stocks of material which are in service and in store?

13. What is the position of the French Government as regards naval armaments?

(iv) *Memorandum communicated by the French Ambassador to the German Chancellor, February 14, 1934*¹

The French Government have received from the Ambassador of the Republic in Berlin the memorandum handed to M. François-Poncet on January 19 in reply to their own *aide-mémoire* of January 1.

In a sincere and straightforward spirit the French Government had put forward a programme in conformity with the resolutions previously voted by the Geneva Conference with the participation of the German delegation. This programme provided by stages, and with corresponding guarantees of control and security, for substantial reductions of armaments as well in the matter of effectives as in that of land and air material.

After receiving this agreed and precise programme the German Government think fit to assert once more that the 'principal interested Powers' (among which no doubt France must be reckoned) 'which are in possession of powerful armaments are not inclined for any

¹ *The Times*, February 16, 1934.

really effective measure of disarmament. The Government of the Republic leave to the Government of the Reich the full responsibility for a conclusion to which they for their part cannot subscribe, if only because it is directly contradicted by their own proposals.'

Basing themselves on a mistaken judgement, the German Government have not seen fit to modify the proposals which they themselves put forward in their previous memorandum. Nor have they thought it necessary, in spite of the courteous request which was made to them, to explain the exact significance of several of their proposals. The French Government are legitimately surprised at this. They especially regret not to find in the memorandum of January 19 adequate explanations of the German views in the matter of control; they regret still more that the German Government have taken no notice either favourably or unfavourably of the observations presented in the *aide-mémoire* of January 1 on the scope of pacts of non-aggression and on their relation to the Treaty of Locarno. Yet it would seem that this element in general security is too important to be passed over in silence when the conditions of a general and substantial reduction of armaments are being devised.

The German Government must certainly be aware that the proposals formulated in the *aide-mémoire* of January 1 were from the point of view of the French Government fundamental on two points. The comparison of French and German effectives can be made only on the basis of comparable effectives—that is, those which are intended for the defence of home territory—and it is conceivable only if all forces which have any military character are included in whatever limitation is decreed. Equality in material—that is, the attribution to Germany of material which the other Powers will keep and which is at present denied to her—can come only after the transformation of the German Army and the absorption of the pre-military and para-military formations in the regular effectives which will be limited by convention.

By setting aside on these two essential points the proposals which were submitted to them, and of which they must have understood the scope and importance, the German Government have rejected the whole programme outlined in the *aide-mémoire* of January 1. In these conditions the French Government do not see the use of the extensive *questionnaire* which is annexed to the last German memorandum, and they do not understand what chance of progress it can offer. The French Government cannot but feel the difficulty of a discussion limited to two Governments when various and complex questions which affect all the Powers assembled in conference are at

issue. These problems can be brought to a useful conclusion only with the participation of all the interested States, and a Franco-German examination of these questions undertaken as a preliminary process would have no useful purpose unless agreements already existed between the two countries on precise principles which would no longer be called in question.

Unfortunately this is far from being so, as may be seen from facts which are only too clear. For instance, published documents show that the German Army, as regards organization (high command, staffs, schools, reserve cadres, mobilization), as regards effectives (peace establishment and trained reserves), and as regards material, already possesses resources incompatible with the provisions of the treaties which must be taken as the basis of eventual comparisons. Before considering the future, and in order to throw light upon it, we must consider the present.

Nevertheless, and with the reserves of this necessary precaution, the French Government accept the opportunity offered to dispel among so many difficulties two fundamental misunderstandings.

First of all, if the French Government attach a particular importance to the idea of an effective control which shall come into operation from the moment that the convention is in force, it is because of the necessity for perfecting, with the least possible delay, a mechanism which should be an essential element of this convention. In such a preoccupation there is nothing of a nature to affect the dignity of the German Government, whose rights no country can fail to appreciate. There are forms of control which might run the risk of being more dangerous than useful. Only an international organization furnished with substantial means of investigation and action could assure the guarantees necessary for the maintenance of peace.

The German Government appear on the other hand to cast doubt upon the willingness of the French Government to consider a limitation of its overseas effectives. Nothing is less exact. Nor is there any question of keeping from limitation the overseas forces, whose mobile character necessarily means that they are at all times ready, in home territory, to be sent in a minimum of time to whatever point in the Empire at which their presence is thought expedient. Contrary to what the German Government appear to suppose, the French Government does not entertain the idea of compensating at any time it chooses for the reduction of its home forces laid down in the convention by calling upon its overseas troops, since the convention would strictly limit the number of effectives capable of being kept at home in peace time.

These particular questions, important though they may be, cannot obscure the essential problem. They leave untouched the basic divergence of views which has been revealed in the matter of effectives and which can be summarized as follows:

In claiming the figure of 300,000 men for a German army, transformed into a short-service unit, the German Government mean that this figure should be fixed without taking into account either the militarized police or the semi-military S.A. and S.S. formations. At the most, they admit that once the convention has come into force the control organizations may verify that the S.A. and S.S. formations have in fact no military character.

The French Government, on the contrary, have always felt that the figures of limitation should embrace in their entirety forces of a military character, and they have taken it as settled that the S.A. and S.S. formations are of this type. The *aide-mémoire* of January 1 contained in this connexion detailed statements supported by precise facts. Since their refutation consists in a general declaration, the French Government are impelled to maintain in their entirety these previous statements. They cannot give their signature to a convention which would only leave to the future the task of deciding whether the S.A. and S.S. formations have or have not a military value to be included in the calculations for the fixing of the relation between forces. A convention established on this principle would in effect be vitiated at the very base, and the first application of control, whatever its form, would produce the most dangerous misunderstandings. It is not a result of this kind which should be expected from an agreement reached after such long discussions, of which the conclusions should be accompanied by a relaxation in the political atmosphere of Europe.

The French Government ardently desire to collaborate with sane comprehension of European feeling in this necessary improvement. They believe that a complete and sincere understanding with Germany would be the condition and the guarantee of such improvement. On the other hand, nothing could be more dangerous than a misunderstanding. It is for the German Government to dissipate or prevent it by explanations which they may be sure will be examined justly and without prejudice. It is the duty of the French Government to maintain the point of view for which the reasons have been given. These reasons justify the programme laid down in the *aide-mémoire* of January 1. The French Government consider, without wishing to throw doubt upon the reciprocity and sincerity of the intentions of the German Government, that a process of negotiation

loses nothing by the recognition, the comparison, and even the opposition of the differences which stand in the way of final agreement.

(v) *Memorandum of the German Government communicated to the French Ambassador in Berlin, March 13, 1934*¹

The Government of the Reich has duly gathered from the Memorandum handed to it on February 14 by the French Ambassador that the French Government's view of the disarmament problem still differs in certain essential points from that held by Germany, but that the French Government continues—as does the German Government—to hope for the speedy conclusion of a disarmament convention, and that, in spite of these divergencies, it is desirous of continuing exchanges of views with the Reich.

The German Government delayed its reply to the Memorandum because it appeared desirable to await the conclusion of the informative conversations initiated by the British Government for purposes of throwing light upon the views of the various Governments.

Now, however, the German Government does not wish further to postpone its reply to the Memorandum of February 14.

Its impression is that the explanations of the French Government have been influenced on various points by misunderstandings of the statements earlier made by the German Government. It is therefore important to clear up these misunderstandings in order to avoid their affecting further discussion of the disarmament problem.

The following are the main points referred to:

1. The French Government regrets that the German Government, in its Memorandum of January 19, expressed no definite view on the question of the scope of the non-aggression pacts proposed by Germany and on the relation of these pacts with the Western Locarno Treaty.

As has already been explained to the French Ambassador, the scope and meaning of these non-aggression pacts may be regarded as defined by the international practice of recent years. Moreover, the German-Polish declaration of January 26,² since published and ratified, clearly proves that Germany is prepared to go to the furthest conceivable limits in undertaking obligations in no case to resort to force.

As regards the Locarno Treaty, the German Government has never contemplated weakening its force by the subsequent conclusion of

¹ *Frankfurter Zeitung*, March 18, 1934. Translation prepared by the Information Department.

² See below, p. 424.

other non-aggression pacts. Nor has it questioned the validity of that Treaty. On the contrary, when this question was raised by the French Government, it merely pointed out that a time might come when international co-operation would take such shape that some adjustment of the Treaty might prove necessary or desirable. In the opinion of the German Government, however, there could be no question, in such case, of amendment of the political content of the Locarno Treaty. The German Government would here draw attention to the fact that, the disarmament problem once settled, the time will have come for consideration with the other Powers of the problem of Germany's future relations with the League of Nations.

2. The French Memorandum of February 14 emphasizes that the proposals of the German Government are based on 'an erroneous assumption of fact', namely, the statement that it is at present impossible to obtain a genuinely effective measure of disarmament. In reply, the German Government would once more point out that it quite naturally desires nothing more than to establish by means of a disarmament convention the most radical possible measures of armaments limitation.

In its Memorandum of January 19, it merely wished to state that the heavily-armed Powers had, in their declarations made so far, accepted no measure of disarmament effective enough to modify the German standpoint. The French Government, in particular, made no suggestion, either in its Memorandum of January 1, or in that of February 14, of disarmament measures which would lead to the view that the question of the future level of Germany's armaments would be settled in conformity with the Five-Power Declaration of December 11, 1932.

It would, moreover, appear that the theoretical value of the disarmament measures offered by the highly-armed Powers is less important than agreement on a convention covering practical conclusions drawn from an existing situation.

3. As regards supervision, the French Government's criticisms of the statement made in the German Memorandum of January 19 would appear to be based on a misunderstanding. The German Government only made the setting up of international supervision subject to the very natural condition that such supervision should be applied equally to all countries. As soon as agreement has been reached on the material provisions of the Convention—that is, on the future treaty level of armaments for the different States—the exercise of supervision will settle itself. The only further question arising will be the technical means of such supervision which should raise no

difficulties, and the discussion of which should accordingly be postponed until a later stage in the negotiations.

For the time being it is sufficient to state that the German Government fully agrees that supervision should be organized as effectively as possible and that it should begin to operate as soon as the Convention comes into force.

4. There is another question which is closely bound up with that of supervision and which the French Government would seem, according to its Memorandum of February 14, to consider of primary importance: the question of the construction to be put on the political organizations in Germany. The German Government maintains that no military character can be attributed to these organizations. The French Government takes a different view. This is a difference of opinion on a pure matter of fact.

What better or more natural means of settling this difference exists than application of the proposed supervision in all countries to political organizations of this type, an application which the German Government has expressly accepted?

The French Government objects that this would mean the postponement of a decision on an important point until after the entry into force of the Convention, and that serious misunderstandings might arise as soon as supervision began to be exercised. This objection loses all point when it is realized that, in the opinion of the German Government, the construction to be put upon the military character of organizations outside the Army should be agreed upon before the signature of the Convention.

The German Government would be quite satisfied with the insertion in the Convention of agreed prohibitions applicable to all countries, laying down that organizations outside the Army must not receive any military weapons or military training and must not have any organized relationship to the military forces.

In addition, the French Government may rest assured that Germany will never expose herself to the risk of bringing upon herself the justified reproach of breaking the Convention once it has entered into force. It goes without saying, and this the French Government surely would not question, that the German Government guarantees all the undertakings given in the Convention and would sign no convention which it could not loyally carry into effect.

Apart from the misunderstandings mentioned above and the explanations referring thereto in the Memorandum of February 14, the main differences between the views of the German and French Governments consist in the two questions already alluded to in the

last part of the German Memorandum of January 19: the first, the means of computing effectives and the second, the date at which the German army is to be equipped with defensive weapons.

As regards effectives, the German Government gathers from the last French Memorandum that the French Government is prepared to include the overseas troops stationed in the home country for purposes of the comparative computation of effectives and, further, to accept a maximum figure fixed by treaty for her overseas troops. Desirable though this further definition of the French standpoint is, it leaves out of account the fact that in a fair comparison of effectives those overseas troops ought also to be counted, who, though not actually stationed in the home country, are so stationed that they can easily be transported at any time for military employment at home.

Moreover, trained reserves cannot be left out of account. As regards the moment at which the future German army is to be equipped with the necessary defensive weapons, the French Government gave no reasons, in its Memorandum of February 14, which could justify a postponement of the date for years; indeed, it prolonged the discrimination against Germany, depriving the German army of all military value during the period of transformation of the *Reichswehr* into a short-service army. The German Government does not think it necessary to repeat the reasons for its attitude towards this decisive question.

Moreover, the French and German Governments are now confronted with the fact that the British and Italian Governments have, some weeks since, submitted important proposals for the establishment of a Disarmament Convention.

To a large extent the proposals of both these Governments move in the same direction and should considerably contribute to clearing up the situation. They have consequently been welcomed by the German Government. Undoubtedly important points in these proposals require further discussion. The German Government feels that it can state forthwith that they are suitable for facilitating and hastening agreement between itself and the French Government. The discussions have now reached a point at which two ways to reach a solution are to be distinguished; the choice lies between a short-term convention for about five years, confined to the limitation of the armaments of the highly-armed countries to their present level, and the embodiment of certain measures of disarmament by the highly-armed countries in a convention which would consequently be of longer duration.

In either case, however, the armaments level laid down for Ger-

many would be in essence the same, for even if the second kind of settlement were adopted, measures of such an extent as to contribute sensibly towards the realization of German equality could not, as has already been pointed out, be counted on.

That an armament level such as that laid down in the Treaty of Versailles can no longer, in any circumstances, be considered for Germany is a fact long recognized on all sides. This fact was the point of departure, not only of the recent British and Italian proposals, but also of all proposals put forward for discussion at the Disarmament Conference since the French plan of November 14, 1932.

The German Government itself, in the proposals which it has made for the German armament régime during the period of the first disarmament convention, has imposed such far-reaching limitations on itself that it has reached the minimum of what is required to prepare the way for security and the possibility of defence. It has renounced offensive armaments from the start, and has always declared that it would accept any further armament limitations, however far-reaching, if such limitations are also accepted by the other Powers. The German Government thinks, moreover, that all the prerequisites of an understanding exist and is of the opinion that all that is now needed is the resolve to reach that understanding.

(vi) *Memorandum of the Italian Government, January, 1934*¹

In the conversations which took place in Rome on January 3 and 4 between the Head of the Government and the British Minister for Foreign Affairs, the Head of the Government communicated to Sir John Simon the Italian point of view regarding the disarmament situation and the prospects of disarmament on the lines of the following document:

1. The Italian Government are convinced that an examination of the problem of 'disarmament', with reference to the position of Germany as well as to the general situation, cannot but show that we have wellnigh reached the extreme limit of time available for overcoming the deadlock in which we have found ourselves since June last.

The Italian Government think it unnecessary to dwell on this premiss. It will be enough to mention the existence of clear and numerous indications which go to prove that if the solution be further delayed rearmament, instead of a debated question, will become a question which may or might be practically solved in a unilateral

¹ Published in Rome, January 31, 1934. British White Paper, Cmd. 4512.

manner. The gravity of such a fact is self-evident, in view of the increased difficulties which it would create for a peaceful international and juridical solution of the problem of equality, for a European *détente* and for the possibilities of reaching a reasonable convention of effective disarmament in a not too distant future. It is on the other hand certain that the results will be a renewed spirit of mutual suspicion, the division of Europe into hostile groups, and a race in armaments.

From this premiss the Italian Government deduce that each Government must now assume its own responsibilities, decide to adopt a definite attitude and be prepared to make it known publicly.

2. The experience of the discussions that have taken place during the past two years at the Disarmament Conference, the course of the diplomatic negotiations, and the public declarations made by responsible statesmen, have brought the Italian Government to harbour well-grounded doubts whether the armed Powers desire or are able to agree on such measures of disarmament as would permit a solution of the present situation limiting the demands of Germany within the modest dimensions envisaged at a previous stage.

It is further necessary to bear in mind that Germany, by excluding from her demands for equality the heavier types of war materials, and confining her claim to the so-called defensive weapons—that is to say the weapons that even on the most optimistic hypothesis would be retained by the armed Powers at least for the duration of a first period, or for that of a first convention—has been able in a measure to dissociate the problem of equality of rights from that of effective disarmament. Such disarmament is therefore now presented as the task of the armed Powers exclusively, Germany having long ago completely done her part.

It follows that the undertaking to bring pressure upon her to make her recede from, or moderate her claims for, defensive material becomes all the more difficult, even if the armed Powers were willing to consent to an important and immediate reduction of their offensive armaments; for the German position consists in denying the correlation between the two kinds of armaments, the first representing equality of rights and the second disarmament, which does not bind her as she is not armed.

The Italian Government desire, however, to state that their policy has been, is, and intends to remain, a policy of disarmament; and only recently by their unconditional acceptance of the British plan of March 16, 1933, they afforded the most convincing proof of this. They continue, therefore, to consider a solution in this sense as the most

desirable. If, therefore, within a reasonable time, the negotiations which are being pursued should afford justifiable grounds for hoping that the armed Powers have unanimously resolved to undertake substantial measures of disarmament, Italy, in accordance with her own interests, would not only adhere to this decision, but would not fail to join, with the utmost goodwill, in the attempt to turn it to immediate advantage in order to obtain from Germany greater limitations to her rearmament than, in the contrary event, it seems possible to secure by agreements.

The Italian Government desire, however, to declare in all frankness that only clear intentions, clearly defined without delay, not subordinated to clauses or conditions that are already *a priori* unacceptable to other Powers, and of such a scope as to create a technically, juridically, and morally sound position for the negotiators, would offer any hope of success. In the contrary event, we shall only have a renewal of academic declarations and counter-declarations, of discussions and of recriminations which will not and cannot do anything to avoid the regrettable events to which allusion has been made.

3. Leaving such a possibility still open, therefore, but turning, as indeed the urgency of the moment requires, to the situation as it appears at present, the Italian Government appeal to three principal criteria: that is to say, to a condition of fact, to a juridical point and to an estimate of probabilities, that in their aggregate seem to them to restrict the field of possible solutions and combinations within limits as clear as they are compact and, having regard to the circumstances, satisfactory.

(a) *Condition of Fact.* The danger that, if no agreement is reached, the question of equality may, in fact, be solved independently of agreements tending to sanction it and to regulate the method of its achievement. This consideration naturally carries with it an examination of the possibilities and the scope of the sanctions, and of the willingness to apply them, designed to hinder or suppress movements which do not take treaties into account; but the mere consideration of such an eventuality affords a measure of the gravity of the situation which would arise in the event of no agreement being reached, and emphasizes, if indeed that were necessary, the necessity of arriving at such an agreement in a prompt and satisfactory manner.

(b) *Juridical Point.* It is undeniable that equality of rights has been solemnly recognized to Germany and to the other States disarmed by the Treaties of Peace. The impossibility in which the armed Powers, signatories of the said treaties, find themselves of immediately reducing their armaments to a level reasonably approaching

the level of German disarmament gives to the German claim for rearmament a juridical and moral force, of which it is not easy to deny the evident truth. And if it is possible to demonstrate, as will be shown below, that the condition of security is also found to have been reasonably met, the argument in favour of Germany assumes a content not easy to refute.

(c) *Estimate of Probabilities.* The Italian Government cannot but give the utmost weight to the pacific declarations of President Hindenburg and Chancellor Hitler. Apart from the fact that it is not possible to base agreements on suspicion, one must admit that the repeated and uniform declarations of the Head of the German Government afford confidence that well-defined agreements, freely accepted, would not only not be lightly broken, but would not, for the whole term of their duration, be compromised in the diplomatic field by demands for further concessions and modifications.

And inasmuch as scrutiny of what may be in the interests and within the power of a contracting party undoubtedly invests the sincerity of its pledges with a greater certainty, the Italian Government express their considered opinion that the Germany of Hitler is at present taken up with a work of far-reaching transformation and internal readjustment with which it would be difficult to reconcile designs for warlike enterprises beyond the frontiers. It is understood in this connexion that the Italian Government are naturally aware of other and more material aspects of the problem of security; but these will be referred to later.

4. Admitting what has been said above, the Italian Government are of opinion that it is still possible to conclude a convention such as to satisfy—perhaps partially, but none the less positively—public opinion, especially if the latter was suitably enlightened. In considering this point it should be remarked that we have clear indications that, even in neutral countries directly interested, public opinion is adapting itself to the idea that the principal and practical question is no longer how to prevent German rearmament, but how to avoid that such rearmament should take place unregulated and uncontrolled.

5. With regard, more especially, to the convention which the Italian Government think might be attained, and which might remain in force up to December 31, 1940, it should, in particular, provide for—

- (1) The abolition of chemical warfare, with every necessary measure of supervision to prevent preparation and training.
- (2) Prohibition of the bombardment of civil populations, bearing in

mind that in the field of prohibition of bombardment from the air more radical measures will be possible where the rule of the interdependence of land, sea, and air armaments permits; it should be noted that such a measure ought greatly to facilitate the solution of the problem of equality of rights with regard to German air armaments.

- (3) Limitation to the present level of military expenditure by the Powers not bound by the Treaties of Peace, with a proviso for expenditure on replacements and completion of defensive works.
- (4) Limitation to the present level of land war material of the Powers not bound by the said treaties, but provision for the replacement of material.

6. *Effectives.* It should be borne in mind that the German claim for an average daily effective of 300,000 men is governed by the hypothesis that the other armed Powers do not reduce their effectives to the figures put forward in the MacDonald plan, but keep to their present figures. If it were found preferable to face the problem of reduction, Germany declares herself ready to rediscuss the figures given above.

This being so, the Italian Government, considering the present level of effectives of, for instance, France, Poland, and Czechoslovakia, doubt whether it can plausibly be argued that the ratios resulting from the MacDonald plan have been altered in favour of Germany in the German proposals.

As to the particular problem of the reduction and standardization of effectives, the Italian Government wish to point out that it would entail so many delicate problems between other contracting Powers, that facing it might cause damaging delays in the conclusion of the agreement. Further, they are bound to admit that, at least as particularly concerns them, the abandonment of the present organization of land effectives in the sense of the MacDonald plan would certainly entail a heavy burden of expenditure not compensated by corresponding economies with regard to war material.

They are therefore prepared to negotiate on the basis of the *status quo* and of limitation as envisaged by the German proposals. As to the stages in which the transformation of the German forces and their increase would take place, the Italian Government are of opinion that technical requirements impose such stages upon Germany, and that therefore an opportunity is offered to make them the subject of contractual obligations. It is to be noted that the work of transformation could not take place without the conspicuous incapacity for action,

not only offensive but also defensive, that usually accompanies such periods of radical change in military organization.

Whilst it seems difficult to reject in principle the German claim for defensive armaments—guns up to 155 mm. or the equivalent, anti-aircraft guns, tanks up to 6 tons, scouting and fighting planes—if we hope to see them realized under a régime of convention and supervision, the limits and the measure of the ratio between the defensive war materials and the effectives to be granted might form the object of negotiations.

7. In regard to naval armaments, apart from the examination of precise explanations which Germany might give in this field, eventual revision of the conditions applying to German naval armaments ought in principle to be postponed until the next naval conference.

8. To the concessions which an agreement on those lines would entail, France would find an immediate and effective counterpart in the maintenance intact of her armaments. There seems to be no doubt that, from the technical military point of view, this would suffice to guarantee her an undoubted security for the whole duration of the convention, so that this problem from the material point of view might be said to be favourably solved. This argument acquires still greater validity if the efficacy of modern systems of permanent defence of the frontiers is taken into consideration, as well as the assistance ensured by existing treaties.

9. As to security based on treaties, it is unnecessary for the Italian Government to refer to the Pact of Rome, the Pact of Locarno and the significance and value of the undertakings contained therein. It is not so much the formal and treaty aspect of security which gives weight to the Four-Power Pact, as the continual and methodical collaboration between the great Western Powers which its clauses contemplate, and this both in the field of disarmament and in other fields.

Italy considers herself loyally bound by the Locarno Pact, which assigns a special position to the Italian and British Governments, and precisely on account of her unwavering loyalty considers that she cannot diverge from the view of the London Government in holding that further diplomatic guarantees against aggressions are not only not indispensable, but, if multiplied, would tend to lose their value.

The German Government have, further, recently offered the conclusion of ten-year non-aggression pacts to all neighbouring States.

10. A final and fundamental counterpart to the acceptance of Germany's demands—representing in itself a new contribution to security—might be an undertaking on the part of Germany to return

to Geneva, not only with a view to signing the general Disarmament Convention there, but to resume her place in the League of Nations. The Italian Government are particularly anxious to call attention to the first-rate importance of such an event.

11. Finally, the Italian Government cannot lay too much stress upon the necessity that the exchanges of view which are at present taking place should at last lead to sufficient progress to enable the entire question to emerge from the present deadlock, thus justifying a meeting of the Foreign Ministers or of the Heads of the Governments of the four Western Powers, a meeting to which the representatives of the other principal Powers concerned might be invited.

(vii) *Memorandum of the United Kingdom Government on
Disarmament, January 29, 1934*¹

I

1. On November 22 the Bureau of the Disarmament Conference unanimously decided that the work of the Conference should be suspended for a period in order to permit of parallel and supplementary efforts being carried on between different States, mainly through the diplomatic channel. In the interval this method has been actively pursued, and bilateral communications have taken place between various capitals. As a result, the points of view of certain Governments have been further defined, and some general propositions which they had previously advanced have taken a more concrete shape. Yet it must be admitted that, on comparing the attitudes thus disclosed, no firm basis of agreement at present emerges; and, while these diplomatic exchanges have undoubtedly cleared the ground and revealed the immensity and difficulty of the problem in their true proportions, the method recently followed cannot in itself produce a unanimous result and is in danger of exhausting its usefulness. On the other hand, a resumption of the discussions at Geneva without any new directive suggestions is only too likely to lead to further disappointment.

2. In these circumstances His Majesty's Government in the United Kingdom consider that the time has arrived when they should make plain their own attitude in the present situation, the gravity of which must be apparent to every thoughtful mind, and should thus make a further positive contribution, so far as lies in their power, to promote a reconciliation of views in a matter upon which the future of the world may depend. If agreement is to be reached and a Convention is to be signed, it is useless for any Power merely to insist on its own

¹ Laid before Parliament, January 31, 1934. British White Paper, Cmd. 4512.

ideals and its own requirements or to refuse to depart in any degree from the solution which it deems best. His Majesty's Government are making the present communication, not for the purpose of formulating unattainable ideals, but in order to indicate the lines of a compromise which they believe, after reviewing the history of the discussions and closely studying the recent interchange of views, should be generally acceptable.

3. Before dealing with any specific proposition as to the measure or the regulation of armaments, His Majesty's Government must reassert the main objective to which all proposals on this subject are directed. That objective is, as Article 8 of the Covenant declares, the maintenance of peace. Even though increase of armed strength may be actuated by reasons of defence, it is an index of fear of attack from another quarter, and a measure of the alarm and disquiet existing between peoples. Conversely, a general agreement securing the limitation of armaments at the lowest practicable level would be the most effective and significant proof of international appeasement, and an encouragement of the mutual confidence which springs from good and neighbourly relations. Consequently, His Majesty's Government regard agreement about armaments not as an end in itself, but rather as a concomitant of world peace and as an outcome of political amelioration. For this reason, they have always acknowledged the relation between the conception of equality of rights on the one hand, and of security on the other. For this same reason, they welcome the indications that Herr Hitler's recent proposals, whatever may be said of their precise content, are concerned not only with technical questions of armament, but with political guarantees against aggression.

4. It follows from the above considerations that agreement is most likely to be reached on a broad basis which combines regulation of armaments with assurances in the political field. Protracted debates on disarmament in its limited and purely technical aspect can lead to no conclusion, unless wider considerations touching the equality and the security of nations are borne in mind and provided for. Hence the United Kingdom Draft Convention, which was approved at Geneva as a basis of the ultimate agreement by a unanimous vote which included both France and Germany, began with a 'Part I' on the subject of Security, proposing methods of consultation for the purpose of determining on appropriate action in the event of a threatened breach of the Briand-Kellogg Pact. The amplification of this proposal is dealt with below (paragraph 9). His Majesty's Government must emphasize that they have never departed from the principles and purposes of the Draft Convention, or have sought to

substitute a second and contradictory draft for it. If there were any misapprehension in any quarter on this score, the declaration they are now making will finally remove it. The Prime Minister, when presenting the Draft Convention to the Conference in March of last year, plainly intimated that it was not necessarily to be regarded as a final and unalterable text, and subsequent discussion has shown that it requires adjustment in certain respects if general agreement is to be reached. Any suggestions which have since been put forward for consideration have been tentatively advanced with a view to seeing whether they would promote such agreement, and for no other purpose. But the underlying conceptions of the Draft Convention remain the standpoint of His Majesty's Government, and could only be abandoned if and when a more acceptable alternative were generally agreed.

5. But while His Majesty's Government are not prepared to depart from the lines of the Draft Convention without being assured that there is an alternative which would more readily lead to universal agreement, they have been perfectly prepared to give unprejudiced consideration to new suggestions and to do their utmost to promote their general acceptance. The failure to reach agreement would inflict a fearful blow upon the hopes of all friends of peace throughout the world, whereas the attainment of agreement would create and build up that confidence which is the only secure basis for the limitation of armaments. The importance, therefore, of attaining international agreement by any possible means is so great that no suggestions, from whatever quarter they come, should be rejected merely because of a preference for a better solution which is, in fact, unattainable. An illustration lies ready to hand. It is sometimes urged that the solution of the disarmament problem lies in the immediate abandonment by all the world of all the weapons which the Peace Treaties withheld from certain Powers. But it is manifest that such a solution is in practice unattainable at the present time. That is no reason for abandoning the effort to secure, in this first Convention, all that can be attained. The devotion of the whole British people to the cause of disarmament is deep and sincere, as is sufficiently proved by the present position of its armaments in comparison with those of other leading Powers. They realize that further progress can only be achieved by agreement, and therefore His Majesty's Government would still work for agreement, even though, having regard to the principle of equality of rights, agreement is found to involve alongside of disarmament in some quarters some measure of rearmament in others.

6. It should not be overlooked that the scheme of the Draft Convention itself involves some degree of rearmament for those States whose armaments are at present restricted by treaty. Germany, for example, in view of the numerical increase proposed in her effectives, would need larger quantities of such weapons as she is already entitled to possess. And this is not all. His Majesty's Government have more than once publicly stated that an international agreement based on the admitted principle of equality of rights in a régime of security necessarily involves that, within the stages provided for by such an agreement, the situation must be reached in which arms of a kind permitted to one State cannot continue to be denied to another. His Majesty's Government see no escape from this conclusion, and they do not seek to escape from it, for they are convinced that the best prospect for the future peace of the world would be afforded by an agreement which recognizes and provides for this parity of treatment, while it abolishes or reduces to the lowest possible level all arms of a specially offensive character, and provides by the most appropriate means available for a greater sense of security. So far as Europe is concerned, a reconciliation of the points of view of France and Germany is the essential condition of general agreement. If a way is not found to accommodate their respective points of view, this greater sense of security will not be promoted. And without it, substantial disarmament is impossible. On the other hand, if an agreement is reached, even if the agreement at present attainable falls short of the highest hopes, the gain of reaching and observing such an agreement would be immeasurable, and the fact that it had been reached and observed would form the firm foundation on which a further agreement of more comprehensive character might be based in the future.

7. We must therefore seek a solution where a solution can be found. No agreement is no solution at all, and the world will be thrown back upon unrestricted competition in the supply and manufacture of weapons of destruction, the end of which no man can see. Putting aside, therefore, as not immediately attainable the ideal of universal disarmament to Germany's permitted level, and refusing to acquiesce in the conclusion that agreement cannot be reached, the choice appears to His Majesty's Government to lie between two conceivable courses, so far as the future armaments of the heavily-armed Powers are concerned. These two choices are:

- (1) To reach agreement in a Convention which will involve the abandonment of certain classes of weapons by the most heavily-armed Powers.

- (2) To reach agreement on the basis that the most heavily-armed Powers are unable or unwilling to disarm, but that they will undertake not to increase their present armaments.

The second course is the one which is indicated in certain quarters as the most that can be hoped for. But His Majesty's Government cannot contemplate as acceptable a conclusion which, though it would provide for a limitation of armaments, would do nothing whatever to secure their reduction. His Majesty's Government, therefore, would earnestly press upon other Governments that the first course, which they most strongly prefer and regard as more in accord with the main object to be attained, should not be abandoned, but should be actively pursued. The second part of this Memorandum sets out the way in which His Majesty's Government believe this could be accomplished.

II

8. His Majesty's Government conceive that international agreement in the matter of armaments can only be reached by making adequate provision under the three heads of (a) security, (b) equality of rights, (c) disarmament. These three topics were all dealt with in the Draft Convention, and the object of the present document is to explain how, in the light of actual circumstances and of the claims and proposals put forward from various quarters, the contents of that Draft Convention might be modified or expanded in certain particulars with a view to securing general agreement. His Majesty's Government have studied with close attention the points of view advanced by the French, Italian, German, and other Governments in the course of recent interchanges. Nearly a year ago His Majesty's Government undertook the responsibility of placing before the General Commission a full Draft Convention. The adjustments now proposed in the text of that Draft are such as subsequent communication and consideration show to be best calculated to bring about concrete results.

9. *Security.* Part I of the Draft Convention dealt with the subject of security. As the result of a redraft which was unanimously approved on May 24, 1933, it now consists of four articles, three of which provide in effect that, in the event of a breach or threat of breach of the Pact of Paris, immediate consultation may be called for and shall take place between the signatories to the Convention for the purpose of preserving the peace, of using good offices for the restoration of peace, and, in the event that it proves impossible thus to restore peace, to determine which party or parties to the dispute should be held responsible. It will be observed, therefore, that, as at present drafted,

the event which brings these provisions into play is the breach or threatened breach of the Pact of Paris. His Majesty's Government regard such provisions as of very great importance. But so vital is the connexion of a feeling of security with the peace of the world that they would add to them yet further articles. It is in their view important to extend the principle of consultation in the event of a breach or threat of breach of the Pact of Paris to the event of a breach or threat of breach of the Disarmament Convention itself. They would therefore suggest that three new articles—2 (a), 2 (b), and 2 (c)—should be inserted between the revised articles 2 and 3. The first of these—2 (a)—would be article 89 of the present Draft Convention, which declares that the loyal execution of the Convention is a matter of common interest to the High Contracting Parties. Article 2 (b) would declare: 'The provisions for immediate consultation contained in article 1 will also be applicable in the event of the Permanent Disarmament Commission, to be set up in accordance with Part V, Section 1, of the present Convention, reporting the existence of facts which show that any High Contracting Party has failed to execute loyally the present Convention.' Article 2 (c) would state: 'It shall be the object of such consultation to exchange views as to the steps to be taken for the purpose of restoring the situation and of maintaining in operation the provisions of the present Convention.' The insertion of these articles would, in the opinion of His Majesty's Government, emphasize the inescapable duty of all signatories of the Convention to keep in the closest touch with one another, and to do whatever is right and possible to prevent or remedy any violation of so important an international treaty.

A further contribution to the cause of peace and security, by lessening any tension or anxiety which exists between Germany and surrounding States, is provided by the willingness of the German Chancellor to conclude pacts of non-aggression with all Germany's neighbours. Such pacts should in no way weaken, but, on the contrary, should expressly reaffirm existing obligations to maintain peace under such instruments as the Covenant of the League of Nations, the Pact of Paris and the Treaties of Locarno, and His Majesty's Government cannot doubt that if such pacts were expressly entered into in connexion with the Convention (which, like the pacts themselves, His Majesty's Government, for reasons stated below, consider might be made in the first instance for a period of ten years), their practical value for the purpose of creating a sense of security will not be disputed.

His Majesty's Government consider that the suggestions here

collected under the head of security constitute a sum total worthy of general acceptance. They have a right to expect that, if these provisions and pledges were solemnly entered into, they would not be lightly violated, and that any violation of them would be met in the most practical and effective way by immediately assembling Governments and States in support of international peace and agreement against the disturber and the violator.

10. *Equality of Rights.* The Five-Power Declaration of December 11, 1932, put on record, in connexion with the problem of disarmament, the principle 'of equality of rights in a system which would provide security for all nations', and declared that this principle should find itself embodied in a Disarmament Convention effecting a substantial reduction and limitation of armaments. From this Declaration His Majesty's Government have never withdrawn and they now reaffirm their unqualified adherence to it. The previous paragraph of this Memorandum attempts to define the essential elements of security without which the necessary conditions for an adequate Disarmament Convention would not be fulfilled. But His Majesty's Government do not hesitate to declare that the principle of equality of rights is no less essential in the matter of armaments than the principle of security—both must have their practical application if international agreement about armaments is to be reached. The proposals which follow, no less than the Draft Convention itself, are conceived in that spirit, and constitute a practical fulfilment of that principle.

11. *Disarmament.* His Majesty's Government are glad to understand that Chancellor Hitler has declared that Germany voluntarily renounces any claim to possess 'offensive' weapons, and limits herself to normal 'defensive' armaments required for the army with which she would be provided in the Convention. The German Chancellor, moreover, advances this proposition on the assumption that the heavily-armed States are not prepared to abandon under the Convention any portion of their existing weapons. As already indicated in paragraph 7 of this Memorandum, His Majesty's Government are entirely unwilling to accept this last assumption, and must insist that the only agreement worthy of the name of a Disarmament Convention will be one which contains reduction as well as limitation of armaments. There is, moreover, a further reason why His Majesty's Government emphasize the fact that the German Chancellor's declaration renouncing offensive armaments, and claiming only what is necessary for normal defence, is based upon the assumption that the heavily-armed Powers are not prepared to reduce their own armaments in any degree. The measure of Germany's need will

necessarily be reduced if this assumption proves incorrect. A positive contribution to disarmament by the heavily-armed Powers will therefore help to bring the scale down all round, and should, as His Majesty's Government conceive, reduce the demands which Germany might otherwise be disposed to put forward.

12. The following proposals, in modification of the Draft Convention, are put forward on the assumption that the agreement would last for ten years. They have been framed after giving the fullest and most anxious consideration to suggestions and criticisms from all other quarters, and represent, in the judgement of His Majesty's Government, what might well be agreed in existing circumstances.

13. (a) *Effectives*. While His Majesty's Government are still in favour, so far as they are concerned, of the figures given in the table they submitted at the end of Article 13 of the Draft Convention, they are aware of the recent discussion with the German Government in regard to the proper number of average daily effectives which should be allotted to Germany. To the figure of 200,000 on a basis of 8 months' service proposed in the Draft Convention, the German Government have suggested the alternative of 300,000 on a basis of 12 months' service. This is one of the outstanding points of difference emerging from the recent exchange of views through the diplomatic channel. Though the point is difficult and serious, His Majesty's Government do not think this divergence ought to raise any insuperable obstacle to an agreed compromise. In the Draft Convention they themselves proposed 200,000 as the figure for the average daily effectives stationed in the home country for France, Germany, Italy, and Poland. It is not the figure of 200,000 which in their mind is the essential and unalterable element, but the principle of parity, fairly calculated and applied, in these effectives between the four countries. They are aware that difficult calculations are necessary to establish the right figures for the ten years which, as above suggested, would be the life of the Disarmament Convention, but His Majesty's Government are convinced that the fixing of the proper figure cannot be beyond the power of adjustment between the States principally concerned, if the problem was made the subject of frank and conciliatory discussion between them. If the figure of 200,000 was found to be too low, an accommodation could surely be found between this figure (which His Majesty's Government believe to be preferred by the majority of the Powers concerned) and 300,000.

Agreement as to this figure will enable all European continental armies to be reduced to a standard type composed of short-term effectives as proposed in the Draft Convention. His Majesty's Govern-

ment suggest that this process should be completed in, at most, four years. In Article 16 of the Draft Convention, eight months was suggested as the maximum total period of service for these effectives, though, at the same time, it was recognized that in special cases the period might have to be twelve months. His Majesty's Government appreciate that this must necessarily be a matter for the continental Governments to determine, and they are ready to concur in the longer period if such is the general desire.

In regard to land armed forces stationed overseas, His Majesty's Government have no further reductions to propose in addition to those already inserted in the Draft Convention. These, it will be remembered, would entail a considerable reduction of French overseas forces.

A difficult problem has been raised in regard to the so-called 'para-military training', i.e. the military training outside the army of men of military age. His Majesty's Government suggest that such training outside the army should be prohibited, this prohibition being checked by a system of permanent and automatic supervision, in which the supervising organization should be guided less by a strict definition of the term 'military training' than by the military knowledge and experience of its experts. They are particularly glad to be informed that the German Government have freely promised to provide proof, through the medium of control, that the S.A. and the S.S. are not of a military character, and have added that similar proof will be furnished in respect of the Labour Corps. It is essential to a settlement that any doubts and suspicions in regard to these matters should be set and kept at rest.

14. (b) *Land War Material*. Certain countries will require, for the increased numbers of their standardized armies, an increased number of such weapons as are at present possessed by their smaller long-service armies. His Majesty's Government accept this view. They would emphasize that, under the Convention, prohibition as to the possession of anti-aircraft guns would disappear. They would suggest that the maximum calibre of guns in permanent frontier and fortress defensive systems should be fixed by international agreement.

Of the types of land war material at present denied by treaty to certain Powers, His Majesty's Government consider two weapons in particular must be dealt with. His Majesty's Government proposed in their Draft Convention that the maximum limit for the weight of tanks should be 16 tons. They recognized, however, that this problem 'evidently requires further international examination'. They are most anxious, in the interests alike of disarmament and of

the realization of the equality of all countries, that progress should at once be made with the elimination of tanks above the 16-ton limit. They suggest, therefore, that tanks over 30 tons should be destroyed by the end of the first year, over 20 tons by the end of the third year, and over 16 tons by the end of the fifth year. These practical steps should help towards the solution of the problem, but 'further international examination', as contemplated by Article 21 of the Draft Convention, is obviously necessary. His Majesty's Government propose that this examination should be held by the Permanent Disarmament Commission, and should be completed not later than by the end of the third year. His Majesty's Government understand that the German Government maintain that tanks up to 6 tons are, in their view, necessary for the defence of their country. This view of the German Government was based on the supposition that other countries would make no reduction in respect of tanks at all, whereas His Majesty's Government now propose the reductions set forth above. None the less, His Majesty's Government are, for their part, willing to agree that the new German short-term service army, contemplated by the Draft Convention, should be equipped with tanks up to 6 tons. His Majesty's Government would be willing to agree to a similar arrangement in respect of Austria, Hungary, and Bulgaria.

As regards mobile land guns, it will be recalled that in the Draft Convention His Majesty's Government made the proposal to secure that the maximum limit of these guns for the future should be 115 mm. They would greatly regret any proposals which tend to increase the size of future construction beyond this calibre, but they are bound to face the fact that the German Government maintain the view that mobile land guns up to 155 mm. are necessary as part of the armament of the proposed new short-term service army. His Majesty's Government, though still preferring the more drastic proposals of their Draft Convention, are willing to acquiesce in this proposal as part of the Convention, if by so doing they can secure prompt and general agreement on all points. His Majesty's Government would be willing to agree to similar proposals in respect of Austria, Hungary, and Bulgaria.

But there remains the question whether it is not possible, by means of the proposed Convention, to secure the reduction in the maximum calibre of mobile land guns possessed by any Power. His Majesty's Government propose that such guns over 350 mm. should be destroyed by the end of the first year, those over 220 mm. by the end of the fourth year, and those over 155 mm. by the end of the seventh year.

15. (c) *Air Armaments*. His Majesty's Government have repeatedly

emphasized the great importance of agreement in regard to the limitation and reduction of air armaments which may, in the future, prove the most potent military weapons in the possession of mankind. Full reflection has convinced them of the justice of the proposals contained in Articles 34-41 of their Draft Convention. Article 35 requires that the Permanent Disarmament Commission shall, immediately, devote itself to the working out of the best possible schemes providing for the complete abolition of military and naval aircraft, which must be dependent on the effective supervision of civil aviation to prevent its misuse for military purposes. His Majesty's Government are aware that the German Delegation at Geneva moved an amendment to this article, proposing the total abolition of military and naval aircraft without, however, making any specific provision for solving the problem of civil aviation. The appropriate occasion to discuss this proposal would be the immediate inquiry provided for in Article 35. In their view it would be prejudicial to the prospects of the inquiry that any party not hitherto entitled to possess military aircraft should claim such possession pending the results of the inquiry. At the same time they frankly recognize that Germany and other States not at present entitled to military aircraft could not be asked to postpone for long their claim. They suggest, therefore, that the maintenance of the *status quo* laid down in Article 36 of their Draft Convention should be modified as follows: If the Permanent Disarmament Commission has not decided on abolition at the end of two years, all countries shall be entitled to possess military aircraft. Countries would reduce or increase by stages, as the case might be, in the following eight years so as to attain, by the end of the Convention, the figures in the table annexed to Article 41, or some other figures to be agreed on. Germany would acquire parity with the principal air Powers by these stages, and corresponding provisions would be made for other Powers not at present entitled to possess military or naval aircraft.

16. It is, of course, understood that all construction or fresh acquisition of weapons of the kinds which are to be destroyed during the life of the Convention would be prohibited.

17. (d) *Naval Armaments.* His Majesty's Government, for their part, still stand by the Naval Chapter of the Draft Convention. They appreciate, however, that the time which has passed since they put forward that Draft Convention last March has brought much closer the assembling of the Naval Conference of 1935. Should it be thought, in view of this consideration, that the situation prior to the 1935 Conference could appropriately be dealt with by some simpler

arrangement than that contained in the Naval Chapter, His Majesty's Government would be prepared to make proposals to that end in due course. They suggest, however, that prompt agreement on other matters, and embodiment of that agreement in a world-wide convention, would be of great assistance to the naval discussions proposed in Article 33 of the Draft Convention.

18. *Supervision.* His Majesty's Government are well aware of the great importance attached by various Governments to the institution of a system of permanent and automatic supervision to control the observance of the Disarmament Convention. There is obviously a close connexion between mutual agreement about levels of armament and a system of adequate international supervision. There are, however, many technical difficulties which arise in this connexion and which must be practically met. His Majesty's Government affirm their willingness, if general agreement is reached on all other issues, to agree to the application of a system of permanent and automatic supervision, to come into force with the obligations of the Convention.

19. It will be seen that the adjustments which His Majesty's Government propose are based on a duration of ten years for the Convention. The Draft Convention suggested five years. Continued reflection, however, on the subject and constant discussion with other Governments have convinced His Majesty's Government that any stable system should be founded on a longer period. Only if a longer view is taken can substantial reductions of armaments, and the full realization of all countries' equality of rights and durable security, be realized. The proposal of the German Chancellor, that undertakings not to resort to force between Germany and other European Powers should be of at least ten years' duration, fits in very closely with the proposal now made by His Majesty's Government that the Disarmament Convention itself should be of ten years' duration. They confidently hope that, if a Convention on the lines now proposed can be accepted, humanity will within the coming ten years acquire such a deep-rooted conviction of the contribution to peace which such a Convention can make that, when the Convention is due to expire, further progress can be achieved in the reduction of armaments. By the successful conclusion of a Convention on such lines, and in the atmosphere of firmer peace and increased mutual confidence which would accompany it, the way will be prepared for a closer and more hopeful approach to the political and economic problems which at present perplex and divide the nations of the world.

20. The object of His Majesty's Government in formulating these proposals and presenting them for consideration is not to describe

the terms of an agreement which they themselves would most desire, without regard to the claims or needs of others, but to propound a basis of compromise on which it would appear, in present circumstances, that general agreement could and should now be reached. The proposals, therefore, must be considered as a whole and they are framed in the endeavour fairly to meet essential claims on all sides. The grave consequences which would follow the failure of the Disarmament Conference are realized by all and need no further emphasis. The policy of His Majesty's Government in the international sphere is directed, first and foremost, to contributing to the utmost of their power to the avoidance of these consequences by promoting general agreement. If agreement is secured and the return of Germany to Geneva and to the League of Nations brought about (and this ought to be an essential condition of agreement), the signature of the Convention would open a new prospect of international co-operation and lay a new foundation for international order.

(viii) *Memorandum handed to the British Ambassador by the United States Secretary of State, February 19, 1934*¹

The American Government has given careful study to the British Memorandum on disarmament, dated January 29.² In many ways, the British suggestions are identical with the ideas expressed by the American delegation since the opening of the General Disarmament Conference in 1932. In other respects, they do not go so far in measures of actual disarmament as had been contemplated. The American Government has held the view that the most logical way in which to limit and reduce armaments was to limit and reduce the use to which such armaments could be put. This in turn implied a strengthening of the defensive power of a State and a corresponding reduction of its offensive power. To accomplish this, there were three main methods. The first, to abolish weapons of primary use in invasion, such as heavy mobile artillery, heavy tanks, bombardment aviation, &c. Second, continuous and automatic inspection. Third, and in connexion with the General Disarmament Convention, a universal pact of non-aggression in which an undertaking would be given that the armed forces of no State should invade the territory of another country in violation of treaty rights.

In noting that the British proposals do not go so far, the American Government appreciates that they were probably drafted with a view to meeting the complexities of the present political situation in

¹ Published on March 9, 1934. League Document, 1934, IX. 1.

² See above, p. 360.

Europe and, at the same time, to achieve a large modicum of real disarmament. While the American Government is not in any way a participant in the European political problems and therefore does not take part in diplomatic discussions relating thereto, it is nevertheless vitally interested in the maintenance of European peace and therefore welcomes the effort of the British Government to bring about agreement. This Government is in complete accord with the British Government in viewing a Convention involving an actual reduction in armaments, not only as essential in itself, but as facilitating a general political appeasement. While reserving its position on a few technical points and of course on the modifications to Part I, which, as Mr. Davis indicated on May 24, 1933,¹ it could not sign, the American Government is therefore in sympathy with the principles of the British suggestions and hopes that a successful resumption of the General Disarmament discussions may thereby be brought about.

(ix) *Extract from Speech by the Comte de Broqueville, Prime Minister of Belgium, March 6, 1934*²

Au cours de la discussion, M. le ministre des affaires étrangères vous exposera le problème du désarmement dans sa complexité, et avec tous les développements qu'il comporte. Mais auparavant, je tiens à vous expliquer, en peu de mots, comment ce problème se pose, dans son extrême gravité.

On nous dit: 'Allez-vous continuer à tolérer le réarmement de l'Allemagne, contrairement aux stipulations du Traité de Versailles? Allez-vous enregistrer juridiquement les violations de ce traité?'

En réalité, cette question en appelle une seconde que les auteurs de la première se sont bien gardés de poser: 'Comment peut-on empêcher l'Allemagne de réarmer?'

Eh bien, je vais vous le dire. Il y a exactement, selon moi, deux moyens de contraindre l'Allemagne à respecter les clauses militaires du Traité de Versailles. Il n'y en a que deux. Ils aboutissent d'ailleurs tous les deux au même résultat.

Le premier est le moyen juridique, prévu par le traité. C'est le fameux article 213 qui permet au Conseil de la Société des Nations d'ordonner, à la majorité, des investigations. Or, il est certain qu'au moins deux des grandes puissances qui ont un siège permanent au Conseil, l'Angleterre et l'Italie, se refuseront à ordonner des investigations. Dans ces conditions, l'Allemagne se refusera à les admettre. Et dès lors . . . il ne reste que le second moyen, celui qui est contenu

¹ See above, p. 216.

² In the Senate. *Le Soir*, March 7, 1934.

implicitement dans les questions que l'on nous pose, mais que l'on n'ose pas appeler par son nom : ce moyen c'est la guerre préventive. Est-ce cela que l'on propose ? J'estime, pour ma part, que c'est un remède pire que le mal, et qu'il ne peut même être envisagé, à moins que l'on ne soit atteint de folie ou de mentalité criminelle. Tant que subsiste un espoir d'arrangement, il n'est pas permis de provoquer un malheur immédiat et certain, pour en éviter un autre plus lointain et qui, par ce fait même, n'est pas aussi certain que le premier.

Tel est mon sentiment et tel est aussi, à ma connaissance, celui du gouvernement français. Pour empêcher le réarmement de l'Allemagne, il n'y a d'autre moyen que la guerre immédiate. Je me refuse, moi, à lancer le pays dans pareille aventure.

(xi) *Extract from Speech by M. Paul Hymans, Minister for Foreign Affairs, March 8, 1934*¹

Des commentaires manifestement inexacts se sont répandus à propos de la déclaration du Premier ministre et de son propre discours. Ceci mérite une déclaration.

Nous comptons sur le bon sens du peuple belge. Que nous admettions le réarmement de l'Allemagne, personne ne pourrait le croire. Et l'on aurait raison. Nous n'avons jamais dit pareille chose.

Nous connaissons trop bien le péril qui résulterait de l'abolition de la convention.

Notre sauvegarde repose sur l'entente de la France, l'Angleterre et l'Italie. C'est notre principale garantie. Le gouvernement s'efforce d'assurer cette entente et d'obtenir d'elle des garanties compensatoires de sécurité.

Ce ne sont pas de nouvelles déclarations. C'est une explication, une mise au point.

La Belgique, dit-on, doit exiger que les armements de l'Allemagne soient rigoureusement maintenus dans la stricte limite fixée, il y a quinze ans, par le traité de Versailles.

Or, depuis près de deux ans, les grandes puissances, et après elles toutes les nations du monde, ont admis en principe que cette limite devait être adaptée, d'un commun accord, à la situation actuelle.

En disant que la Belgique doit s'y opposer, on lui ferait jouer un rôle qui serait vain.

La conséquence serait son complet isolement. Elle compromettrait l'entente nécessaire entre les trois grandes puissances qui sont les garantes de sa sécurité ; elle se chargerait, devant le monde, d'une lourde responsabilité. Le résultat le plus certain serait que l'Alle-

¹ In the Senate. *Le Soir*, March 9, 1934.

magne, trouvant devant elle des puissances désunies, aurait beau jeu pour pousser librement son réarmement sans avoir à craindre aucune réaction.

C'est là une responsabilité que le gouvernement a raison de ne pas vouloir assumer devant le pays.

La Belgique est en contact étroit et confiant depuis plusieurs mois, comme je l'ai dit hier, avec la France, l'Angleterre et l'Italie.

Une manœuvre s'esquisse, qui tend à représenter la Belgique comme étant en désaccord avec la France, dans la question du désarmement. Il importe de la déjouer. Sur les points essentiels, il y a concordance de vues entre les deux pays.

Il y a concordance de vues pour écarter toute solution qui comporterait l'emploi de la force et conduirait à la guerre.

Il y a concordance de vues pour chercher les bases d'accord en pleine entente avec l'Angleterre et l'Italie, et pour faire de cette entente le fondement permanent de la paix dans l'Europe occidentale.

Les deux pays reconnaissent également la nécessité de contenir les armements allemands dans les limites prudentes, soumises à un contrôle efficace, et d'établir, en ce qui concerne les formations militaires hitlériennes, des garanties efficaces

Un contrôle contractuel et général. . . .

Les deux pays sont d'accord pour admettre les sanctions contre toutes infractions au désarmement et pour une action solidaire dans les délits, et l'on poursuit l'empêchement de réarmement de l'Allemagne.

(x) *Memorandum communicated to the United Kingdom Government by the French Ambassador, March 19, 1934*¹

After having deliberated with all the attentive care which the difficulties of the problem of disarmament and the gravity of the international situation demand, the Government of the Republic submits to the British Government the reflections and considerations which occur to it on reading the Memorandum of January 29 as elucidated by the results of the most useful journey undertaken by Mr. Eden.

The French Government notes, first of all, that the two Governments and the two countries, whose confident friendship is the principal guarantee of a general equilibrium, are in agreement on the objects to be achieved. Imbued with the same European spirit, they both wish with equal good faith to safeguard the peace of the world against adventures involving the use of force. If there appear to be

¹ *The Times*, March 24, 1934.

certain differences between the systems proposed, both systems have a common starting-point, and it is by no means impossible that with a mutual effort of frankness, of understanding, and of conciliation the result which is aimed at may be achieved. France is ready to make such an effort. On her own initiative and in a methodical and continuous manner she has been giving to her military organization an essentially defensive character in which reserves cannot play an immediate role; unilaterally, between 1920 and 1932, she reduced the term of military service by 66 per cent., the number of her divisions by 50 per cent., her effectives by 25 per cent., and between June 1932 and June 1933 her budgetary credits for national defence by 2½ milliards of francs. Having laboured in the cause of disarmament by acts such as these, France will refuse no sacrifice provided that the security, that is to say, the right to peace, of all signatories is assured, both by their own means and by effective assistance the principle of which has been laid down in treaties.

The British Memorandum declares 'that a reconciliation of the points of view of France and Germany is the essential condition of general agreement'. The French Government does not think otherwise. But once again it thinks that the desired reconciliation would be the worst of solutions if it reposed on an ambiguity. For this reason it took up the clearest attitude in the replies which it made on January 1 and February 14 to the conversations entered upon by Germany. These two Notes gave precision to the attitude and fixed the limits upon which three Governments had agreed in Geneva on October 14, 1933. The attitude of the French Government has not changed. It would find it difficult to resign itself to the idea that the withdrawal of Germany from the League of Nations, which has profoundly disturbed the work of the Geneva Conference, should be able to create for Germany new rights and impose on France new sacrifices from which the defence of her territory would risk suffering.

The French Government recognizes the sincere effort which the British Government have made in the interests of conciliation to evolve the bases of an acceptable compromise. But the form which this compromise takes calls for a preliminary observation which indicates its character.

The Government of the Republic has not ceased to keep the question of disarmament on the basis of the principles laid down in Article 8 of the Covenant and in the preamble of Part V of the Treaties of Peace. It has always contemplated a supervised reduction of armaments progressively scaled down to a level allowing the realization of 'the equality of rights in a régime of security'.

This system, the principle of which had indeed been accepted by Germany, has clashed with the continuous execution of the programme which Germany has pursued for long years for bringing her armaments up to a level very much above that authorized by the Treaties.

In order to reconcile the principles respected by France and the attitude taken up by Germany, the British Government associate immediate reductions of armaments imposed on certain Powers with immediate increases in armaments granted to other Powers.

It is the very conception of such a plan of disarmament which calls forth the most serious objections. However great may be the desire of France to sign an equitable convention, she can neither understand nor admit that exaggerated pretensions to rearmament put forward on one side should constitute an argument for asking other Powers to agree to reductions of armaments which do harm to the interests of their security. Indeed, the British Government themselves have discerned the injustice and inconvenience of this method, since in respect of air armaments the Memorandum of January 29 maintains provisionally the prohibition to possess military aircraft imposed on the States disarmed by the treaties. The French Government adheres, without reserve, to this point of view.

On the other hand, it is its duty to make the most explicit reserves regarding the immediate claim put forward by the German Government for 300,000 men for its regular army (together with corresponding material) without previous examination of the present state of this army. Claims of this kind modify completely the problem of armaments as defined by the authors of the treaties of peace. The acceptance of such claims would have as a result the denial and destruction of the principles of the Covenant of the League of Nations, and of the Disarmament Conference which has derived from it. Only the General Commission, with the participation of all the interested States, is able to say whether these principles, which have guided its work up till now, should be abandoned. It will escape no one that the effects of such a decision would inevitably extend as far as the domain of naval armaments, even if, for reasons of expediency and in spite of the undeniable interdependence of armaments, it seemed preferable, before fixing new naval limitations, to await the meeting of a conference.

Meanwhile the French Government calls the friendly attention of the British Government to a general reflection which is of real importance in its eyes. If they were liberated from the juridical obligations to which they have subscribed, Powers would only take into

consideration their direct interests in determining their actions. Made wise by the lessons of the past, Governments would prefer, before binding themselves, to be certain that the new convention would not meet in the future with the fate of the military clauses of the Treaties of Peace. Put more briefly, they would not consent to be the victims of their good faith.

In particular, the experience of the last few years has taught the French Government, whose sacrifices have extended to every province, that every new concession leads to a new demand or to a new violation of the Treaties. More than any other Government, it is conscious that the very conditions in which certain countries are developing their armaments at the present moment raise particularly delicate problems; it appreciates keenly the effort made by the British Government in respect of the para-military formations against which the French memoranda of January 1 and February 14 had protested. The German Government now admits the necessity for defining the activities which should be forbidden to these formations to ensure that they abandon the military organization which they affect both in form and statutes at the present moment, and confine themselves to political activity.

It will be no less necessary to settle the important points concerning pre-military formations, methods of supervision, transitory measures, limitation of expenditure, and, more particularly, the manufacture of war material, on which the French delegation some months ago submitted amendments to the British plan.

However great the practical importance of these questions may be, they are all completely dominated by the essential problem of guarantees of execution. As has been clearly stated by the British Government, an agreement can only be realized 'on a broad basis which combines regulation of armaments with assurances in the political field'. This declaration states the very principle which the French Government made one of the conditions of application of the Treaty of Versailles and which since then it has never ceased to affirm in international conferences. The validity of such a principle depends entirely on the means which give it efficacy and force. The Powers which will accept the limitation of armaments have a right to know, and it is their duty to gauge, the consequences of their concessions. When the vital interests of States are at stake, general affirmations, however great may be the honesty of those who express them, cannot suffice. It is not even enough that conventions should permit a strict supervision of execution, for supervision does not so much constitute a guarantee as a method of applying guarantees. What would be the

practical significance of supervision if in the face of violations revealed by it the State which was threatened by failures to observe the convention had no other resource than to free itself from its own obligations? When an engagement has been contracted towards the international community, its violation ought to be considered as a threat to that community itself.

Such is the spirit in which the French Government, careful alike of European solidarity and of its own defence, has examined the proposals for consultation formulated in the British Memorandum. These proposals constitute a step forward which it would be unjust to neglect. But is an engagement to consult in the case of a violation of the convention sufficient to ensure the rectification of an established failure to observe the convention? The French Government does not think so. Evidently something more is needed. The French delegation, which never confined itself to pure denials, informed the President of the Conference that agreement should exist between the signatories on some essential points as well as on the principle itself.

Those signatories should, in particular, recognize the imperative duty which is laid upon them, while adapting the gravity of sanctions to that of the infraction revealed by supervision, to rectify without delay that infraction by all methods of pressure which would be recognized as necessary.

In the same way it should be admitted that if established violations endanger the security of another State, common action by the Powers should be used for the benefit of the threatened State to re-establish the disturbed equilibrium. This common action should come into play more particularly if violation degenerated into aggression.

The French Government can neither forget nor overlook the promise of assistance to which the British Government bound themselves by the Rhine Pact, and it appreciates its value. France preserves her confidence in the guarantees registered by the Treaty of Locarno; but the proposed convention is of so wide an international character that the French Government cannot dissociate itself from the difficulties of other Powers which also have legitimate pre-occupations in regard to security. It is not enough that there should be an intention, however clearly affirmed in principle, to guarantee them against all risk of aggression. In the first place, aggression should be formally prohibited. Secondly, if it occurs, it should be effectively checked by the methods which are laid down in the Covenant of the League of Nations.

In the last resort, it is always necessary to come back to the League of Nations and to the Covenant on which it is founded. Whatever

may have been said or attempted against the League, it remains the only organization capable of furnishing a collective guarantee of peace. The French Government remains faithfully attached to it. Furthermore, the French Government is glad to see that the British Government make the return of Germany to the League of Nations an 'essential condition' of the signature of a Disarmament Convention. Germany could give no better guarantee for world stability than her return, free of all constraint, to the community of States to which she has been admitted. Her return would bring about a *détente* which would pave the way for and encourage agreements, the utility of which France, wholeheartedly devoted to the cause of peace, asserts anew. In order to bring about a convention she will evade no form of supervision, however strict it may be, which is established on a reciprocal basis. She has nothing to hide.

The French Government considers that the initiative taken by the British Government deserves nothing less than a frank reply, which sets aside impossible solutions. The French Government could accept no proposal which would render more serious the disarmament of France, while granting, on the other hand, to Germany an immediate legalization, which could only be limited with difficulty, of a rearmament already realized in violation of the treaties. This solution would be in contradiction to the more rational and prudent principles which, for two years, have inspired the Disarmament Conference. A return to these principles will enable the common effort of all countries to produce the solution which will reconcile recognized equality with the rights no less inalienable of security.

(xii) *Letter from the Rt. Hon. Sir John Simon, Secretary of State for Foreign Affairs, to the French Ambassador in London, April 10, 1934*¹

My dear Ambassador,

At our interview this morning I promised to let you have a statement from myself of the two questions in respect of which His Majesty's Government are anxious to learn with the least possible delay the French Government's attitude. These two questions may be formulated as follows:

- (1) Supposing it were found possible for agreement to be reached on 'guarantees of execution' of the proposed Arms Convention, whether the French Government would be prepared to accept as the basis of such convention the United Kingdom memorandum of January 29 as modified in accordance with the proposals

¹ British White Paper, Cmd. 4559.

which were made by Chancellor Hitler to Mr. Eden and which were communicated by the latter to the French Government on March 1. It may be that these last-named proposals are open to further modification, but for the purpose of ascertaining the position taken up by the French Government it is convenient to assume that they remain as stated by Mr. Eden.

- (2) If the answer to the first question is in the affirmative, what is the exact nature of the 'guarantees of execution' which the French Government propose?

His Majesty's Government note that the French Government propose very shortly to furnish explanations of the French conception of 'guarantees of execution', and I was glad to hear from you to-day that we might expect the French Note in a few days' time. We therefore hope that in this reply the French Government will be able to give a definite answer to the two questions above set out. By so doing the French Government will make a most valuable contribution to our own understanding of the actual situation, as to which it is becoming increasingly evident that prompt agreement, based upon our close collaboration, is greatly to be desired.

It would be convenient, I think, if in their forthcoming reply the French Government treated the above two questions as the formulated expression of the two matters on which His Majesty's Government would welcome the elucidation of their views.

Yours very sincerely,

JOHN SIMON.

(xiii) *Memorandum communicated by the French Minister for Foreign Affairs to the British Chargé d'Affaires in Paris, April 17, 1934*¹

1. In a Note of March 28, supplemented by the communication from His Majesty's Principal Secretary of State for Foreign Affairs of April 10, the British Government asked the Government of the Republic to indicate whether it was ready to accept as the basis of a Disarmament Convention the British memorandum of January 29 last, as modified in accordance with the German proposals, which Mr. Eden communicated to the French Government on March 1.

2. The British Government put forward this question on the hypothesis that agreement might be reached which would make guarantees of execution of the Convention possible. They desired, moreover, to learn the views of the French Government on the nature of such guarantees.

¹ British White Paper. Cmd. 4559.

3. Now, the very day on which the British Ambassador made this communication, the *Official Monitor of the Reich* published at Berlin the budget adopted by the German Government on March 22 for the financial year 1933-4. A study of this budget showed without possibility of doubt an increase in the expenses of the Ministries of the Army, Navy, and Air amounting to 352 million marks.

4. The British Government were no less concerned than the French Government at the size of this increase in expenditure. They drew attention to its gravity by making representations through their Ambassador at Berlin to the Ministry for Foreign Affairs of the Reich. The explanations which they received in return are less a justification than a confirmation.

5. In reality the German Government, without awaiting the results of the negotiations which were in progress, has wished to impose its determination to continue every form of rearmament, within limits of which it claims to be sole judge, in contempt of the provisions of the Treaty, which, in the absence of any other convention, continue to govern the level of its armaments. The German Government intends to increase immediately on a formidable scale not only the strength of its army, but also of its navy and of its aviation. So far as this last is concerned, it is all the less permissible for the neighbours of Germany to disregard the menace that hangs over them, in that numerous aerodromes have recently been organized in the demilitarized zone, also in violation of the Treaty. Side by side with this, the German Government shows less anxiety to suppress the para-military organizations or to convert them to civil purposes than to perfect them as an instrument well suited for war. To prove this it is only necessary to read other budgets than that of national defence.

6. Whatever explanation may be advanced after the event, facts of such exceptional gravity can lead to only one observation and conclusion.

7. They prove that the German Government, whether of set purpose or not, has made impossible the negotiations the basis of which it has by its own act destroyed.

8. The duty and the reply of the Government of the Republic are dictated by recognition of this fact. Even before seeking to discover whether an agreement can be obtained upon a system of guarantees of execution sufficiently efficacious to permit the signature of a Convention which would legalize a substantial rearmament of Germany, France must place in the forefront of her preoccupations the conditions of her own security, which, moreover, she does not separate from that of other interested Powers.

9. The return of Germany to the League of Nations, which she left so abruptly, might have furnished the opportunity and means of dissipating, at least in part, these preoccupations. In its Note of March 17 the Government of the Republic recorded its agreement with the British Government on the necessity for making the previous return of Germany to the community of States an essential condition of the signature of a disarmament convention. Since then a number of Governments, having the same preoccupation, have expressed the same opinion. The presence of Germany in the Geneva Assembly would be no less indispensable for the realization of a satisfactory system of guarantees of execution. On this point of capital importance, however, Mr. Eden was not able to bring from Berlin any favourable solution, and the silence observed in this respect in the course of the most recent communications does not permit of better hopes.

10. The Government of the Republic, for its part, cannot abandon in principle this essential and necessary condition which it has formulated. Even less can it assume the responsibility of so dangerous a renunciation at the very moment when German rearmament is being claimed, prepared, and developed, without any account being taken of the negotiations entered upon in accordance with the wishes of Germany herself.

11. The experience of the last war, the horrors of which France had to endure more than any other country, imposes upon her the duty of showing prudence. Her will to peace must not be confounded with the abandonment of her defence. She appreciates the friendly action of the British Government in wishing to seek with her an effective system for surrounding with guarantees the execution of a disarmament convention. She regrets that the action of a third party should abruptly have rendered vain the negotiations undertaken by the two countries with equal goodwill and good faith.

12. It will be the duty of the Disarmament Conference to resume its work. That work should not be abandoned, but taken up at the point at which the Conference left it when it invited Governments to proceed to an exchange of views outside the conference, which have not produced a result. Throughout all these negotiations France has remained faithful, and she desires to continue faithful, both to the principles which have always inspired the General Commission, and to the statutes of the League of Nations, which is the safeguard of the peace of the world. The French Government does not doubt that it will retain at the forthcoming season the co-operation of the British Government, which it always appreciates so highly, in the task of consolidating peace by the guarantees which general security demands.

(xiv) *Statement of Views by the German Government on the United Kingdom Memorandum, April 16, 1934*¹

The German Government are ready to accept the United Kingdom Memorandum of January 29, 1934, as the basis of a convention, subject to certain important modifications. The German Government find it impossible to wait two years for appropriate means of aerial defence. They wish to possess a defensive air force of short-range machines, not including bombing planes, from the beginning of the convention, the numerical strength of which would not exceed 30 per cent. of the combined air forces of Germany's neighbours or 50 per cent. of the military aircraft possessed by France (in France itself and in the French North African territories), whichever figure was the less. This claim the German Government make without prejudice to the result of the air inquiry proposed in the United Kingdom Memorandum, which would be held as proposed therein and which should at least abolish bombers. Germany does not ask for higher numbers of military aircraft than these during the first five years of a ten years' convention, but after those five years she claims that the necessary reductions and increases should be made so that she should attain full equality of numbers with the principal air Powers at the end of the ten years of the convention. The German Government would be prepared to agree, on the basis of reciprocity, to the institution of the new regulations mentioned by the German Chancellor to Mr. Eden on February 21 to ensure the non-military character of the S.A. and S.S., such character to be verified by a system of supervision. These regulations would provide that the S.A. and S.S. would (1) possess no arms; (2) receive no instruction in arms; (3) not be concentrated or trained in military camps; (4) not be, directly or indirectly, commanded or instructed by officers of the regular army; (5) not engage in or take part in field exercises. The German Government are also prepared to agree to the postponement of the reductions of armaments of other Powers until the end of the fifth year of the convention, the measure of disarmament laid down in the United Kingdom Memorandum being carried out during the second five years of the convention. All the other proposals made in the United Kingdom Memorandum, which would be unaffected by these modifications, such, for example, as supervision, are accepted by the German Government. The German Government continue to recognize the Treaties of Locarno. They consider that Germany's return to the League can only be dealt with after the solution of the question of disarmament and above all of their equality of rights.

¹ British White Paper, Cmd. 4559.

B. EUROPE

I. AUSTRIA

The predominant feature in the political life of Austria during the year 1933 was the threat to its national independence from a potential *coup* by the German National-Socialist Party of Austria, urged on by and abetted from Munich and Berlin. An interesting aspect of the Nazi campaign was the development of broadcasting as an instrument of 'moral aggression'. Against this use the Austrian Government appealed to the International Broadcasting Union at Geneva and also made representations to the German Government.

Soon after the accession to power of the Nazi Party in Germany there occurred a number of infringements of the Austrian frontier, and a series of outrages, notably the assassination by Storm Troopers of Dr. Georg Bell, a renegade Nazi, on Austrian soil on April 3, 1933. As a result of these outrages the Austrian Federal Chancellor, Dr. Dollfuss, issued a decree on June 19,¹ prohibiting the Nazi Party in Austria and the wearing of the party badges. This action served only to intensify Nazi activities on both sides of the frontier, and on July 5 Herr Habicht, Nazi 'Inspector for Austria', broadcast a manifesto from Munich denouncing Dr. Dollfuss as a traitor, and urging Austria to follow the example of Germany and to unite within the boundaries of the Third Reich.²

By the end of the summer the situation had grown so intense that Dr. Dollfuss was constrained to appeal for support to foreign Governments. As a result, on August 7, the French Ambassador and the British *Chargé d'Affaires* at Berlin remonstrated officially with the German Government and invoked the spirit of the Four-Power Pact in relation to the Austrian situation. The Italian Government, though it would not join in the Anglo-French *démarche*, made unofficial and friendly representations in Berlin. To the French and British diplomats the reply was returned that the German Government considered the Austro-German affair as a purely internal matter, and consequently they could not agree that the invocation of the Four-Power Pact was proper.

Three weeks later, however, the Powers made a further gesture towards Austria when, by an exchange of Notes,³ Great Britain, France, and Italy, as signatories of the Treaty of St. Germain, agreed to an increase in the standing army, allowed under the terms of that Treaty, by an additional 8,000 men. This, however, was not alone sufficient, and the Chancellor sought further help from Italy. After a week-end conference with Signor Mussolini at Riccione an official *communiqué*⁴ was issued on August 21 that the two Powers were mutually agreed upon the importance of maintaining the independence of Austria.

The autumn and winter were marked by a continual exchange of bitter recriminations between Herr Habicht who, on September 11, formulated the conditions of an agreement,⁵ and the Austrian Chancellor whose state-

¹ See below, p. 386.

² See below, p. 387.

³ See below, pp. 388-90.

⁴ See below, p. 391.

⁵ See below, p. 392.

ments, considering the circumstances, were markedly restrained.¹ Martial law was, however, proclaimed by the Federal Government on November 10.

The situation did not improve with the New Year, and by February 17, 1934, the three Great Powers found it necessary to make a joint Declaration² to the effect that they were agreed 'as to the necessity of maintaining Austria's independence and integrity in accordance with the relevant Treaties'. Austria also secured the assent of the Powers to an appeal to the League of Nations, though the Chancellor did not have recourse to this step.

The Nazi reply to this was made two days later, when, on February 19, Herr Habicht broadcast from Munich an ultimatum³ to the effect that, if, after an eight days' truce—which was to expire at noon on February 28—the Austrian Government had not decided to co-operate with the Nazi Party and give it full rights, the struggle would then be resumed.

February 28 came and passed unmarked by any alarming incident, but it was becoming increasingly clear that something must be done at the earliest possible moment to remedy the economic position of Austria. For this purpose Signor Mussolini invited Dr. Dollfuss and the Hungarian Prime Minister, General Gömbös, to Rome on March 15 to discuss matters of common interest and importance to all three countries. As a result there were signed in Rome on March 17 two tripartite protocols, one political and the other economic, providing for mutual co-operation within the Danubian area, and a bilateral agreement between Italy and Austria providing for the further development of their economic relations.⁴

(i) *Decree by the Federal Government prohibiting the German National-Socialist Party in Austria, June 19, 1933.*⁵

In accordance with the Law of July 24, 1917 (*Reichsgesetzblatt* No. 307), in order to guard against the economic dangers associated with a disturbance of public peace, order, and security, it is decreed that:

1. Any activity in Austria and in particular the formation of any party organizations are forbidden to the German National-Socialist Workers' Party. The existing Storm Detachments and Guards (S.A. and S.S. formations and the Patriotic Defence League) are declared illegal and the wearing of any party badges is forbidden.
2. Any contravention of the provisions of Section 1 will—without prejudice to criminal proceedings—be punished with a fine of 2,000 schillings or arrest for a period not exceeding six months, by the political authorities of the district, in the official department of a Federal police authority in the district. Both sen-

¹ See below, pp. 393-4.

² See below, p. 394.

³ See below, p. 395.

⁴ See below, p. 396.

⁵ *Neue Freie Presse*, June 20, 1933. Translation prepared by the Information Department.

tences may be inflicted. The authorities may also pass judgement of forfeiture on the objects to which the prosecution refers and without reference to the person to whom the confiscated objects belong. Intent is punishable. Prisoners who are not Austrian Federal citizens are to be dealt with under Section 2 paragraph 5 of the Law of July 27, 1871 (*Reichsgesetzblatt* No. 88).

3. Appeal against any conviction passed in accordance with Section 2 is allowable only if it involves a fine of more than 1,000 schillings or arrest for a period of more than six weeks.

(ii) *Extract from Manifesto broadcast by Herr Habicht, July 5, 1933.*¹

The prohibition of the German National-Socialist movement in Austria by the Dollfuss Government was a stab in the back, and in its consequences, both political and economic, a crime not only against the future of Austria but against the whole German people. . . . It is thought possible to foster Austrian separatism within the National-Socialist movement. The attempts which are being made in this direction and in particular the declarations of the Federal Chancellor that he is prepared to hold out the hand of friendship to a new Austrian national front, though only after it has completely cut adrift from the National-Socialist movement in the Reich and if it is under new and independent leaders, have been emphatically denounced by the headquarters of the N.S.D.A.P.² Hitler Movement in Austria as an intolerable presumption.

The movement itself alone decides who are to be its leaders in the National-Socialist movement and who its plenipotentiaries. Any attempt to include its members and adherents in a new organization or under new leadership will be regarded by headquarters in Austria as a betrayal of the national movement; and any one who supports or furthers any efforts in this direction will be expelled from the ranks and be branded as a traitor to the National movement. As far as the outward form of organization is concerned, the N.S.D.A.P. Hitler Movement in Austria has ceased to exist as a result of the prohibition of the Dollfuss Government; its spiritual unity, however, remains unimpaired and will carry the struggle to its inevitable successful conclusion.

National-Socialists! Comrades of the Styrian *Heimatschutz*! German men and women in Austria! The Dollfuss Government, in contravention of law and justice, has prohibited our speakers from carrying

¹ *Völkische Beobachter*, July 7, 1933. Translation prepared by the Information Department.

² *Nationalsozialistische Deutsche Arbeiter-Partei*.

the word to hundreds and thousands at demonstrations and meetings. It is therefore the duty of every individual in every district, in every place, and at all times, to spare no effort in the service of the Movement, and in winning over the whole nation to our idea.

The Dollfuss Government has suppressed or silenced our press; see to it, then, that whatever can take its place is distributed, by all means available, as widely as possible, from hand to hand, from man to man, and from house to house. The Dollfuss Government has prohibited the wearing of our badges; get to work and plaster the Swastika on walls and fences, on rocks and trees or wherever else possible. The whole of Austria, the whole world, shall see and understand that National-Socialism is a living force in Austria and that no power on earth can remove it. We would not be worthy of the name of Hitler's warriors if the clash with this terror did not make us mightier than before and if we cannot ultimately triumph over it. Our brothers in the Reich have successfully battled with and overcome similar slanderous campaigns; if we should fail, we can but appear weaklings in their eyes.

The organization in its new form is complete. Let us take up the struggle which the Dollfuss Government has thrust upon us and carry it through, ruthlessly and relentlessly, to victory. With us are a thousand years of German history, behind us stands the whole German people, but before us lie, as our goal, the liberation of Austria and the establishment of the German nation.

Long live Adolf Hitler, long live the greater Germany!

(iii) *Identic Note from the Austrian Government to the Signatories of the Treaty of St. Germain, August 30, 1933.*¹

The present situation of Austria, both internal and external, calls for special measures of control with a view to the maintenance of order and public security, and the immediate suppression of any act of terrorism which may be committed either within the country or on its frontiers by terrorist elements, whether present in the country or coming from without. The present effective strength of those branches of the executive (gendarmerie and police) which are called upon to maintain order and public security is insufficient, in the long run, to discharge all the duties incumbent upon them in the special circumstances which characterize the present Austrian situation.

The reinforcement of the gendarmerie and of the police cannot be contemplated for budgetary reasons, since the members of the force in question are employed on a permanent basis.

¹ *The Times*, September 4, 1933.

It would, on the other hand, be inopportune to raise the effective strength of the Federal Army, which is to-day about 22,000 men, to 30,000—the figure foreseen in the Treaty of St. Germain. This additional contingent would of necessity be recruited for six years' service, and would weigh noticeably and irremediably for six years on the State Budget, whereas the object before the Federal Government—namely, to have at its disposal a temporary reinforcement of its executive—can be attained more simply and at considerably less cost by the organization of an auxiliary military force created *ad hoc*.

The organization of this auxiliary force, drawn up after consultation with the interested Governments, will be based as follows:

I. An auxiliary military force will be created to take part in the maintenance of internal order and security, to lend its assistance in case of upheavals and serious accidents, and to co-operate in the frontier police service.

II. This corps shall remain in existence for one year, to run from the date of the incorporation of the recruits, without prejudice to any agreements which may be reached by the Disarmament Conference in the meanwhile. This period may be prolonged in virtue of a fresh agreement to be concluded before its expiry. The Federal Government may ask that negotiations be opened at a suitable moment for this purpose.

If these negotiations do not lead to a positive result within a period of one year from the date above mentioned, the Federal Government undertake to abrogate, within fifteen days from that date, all the legal provisions enacted by it in regard to the auxiliary military force, and to disband, within the same period, the men on active service, annulling, at the same time, all military obligations resulting from paragraph VI below.

III. (1) The auxiliary military force shall be a part of the armed forces. (2) It shall be subordinated to the Federal Minister for Military Affairs by the intermediary of the military authorities. (3) The members of the auxiliary military force shall be subject to the laws and regulations in force, in so far as those laws and regulations are not in conflict with the present stipulations. (4) The Army Law (*Wehrgesetz*) may be amended in consequence.

IV. (1) The strength of the auxiliary military force shall be fixed annually by the Federal Government so that the combined strength of the force and of the Federal Army shall in no case exceed the maximum figure of 30,000 men. (2) In the event of men of the Federal Army who are actually on leave being recalled, the numbers

of such men shall be deducted from the numbers of the auxiliary military force.

V. (1) The men of the auxiliary military force shall be recruited by voluntary enlistment. (2) The training of the men of the auxiliary military force shall be carried out by the Federal Army.

VI. (1) The period of active service of the men of the auxiliary military force shall be of not less than five months' and of not more than six months' duration. This period may, at the request of the individual concerned, be prolonged to a year in exceptional cases. (2) The men of the auxiliary military force may be recalled in the course of the twelve months following their discharge, so as to conclude the total duration of their service at a maximum of twelve months.

VII. While on active service the men of the auxiliary military force shall be armed, equipped, clothed, fed, and housed at the expense of the State.

VIII. The establishment of the auxiliary military force may not occasion any excess over the maxima laid down in the Treaty of St. Germain as regards armament and material.

IX. (1) The Federal Government shall reduce the excess of the police and of the gendarmerie over the strength laid down in Article 123 of the Treaty of St. Germain by abstaining—except in individual cases—from replacing the wastage (*déchets*) of these formations. (2) This restriction does not apply to the *personnel* of the criminal police service.

The Federal Government would be glad to know whether, by reason of the special circumstances to which attention has been drawn above, as well as of the temporary and exceptional character of the proposed formation, the Government of [His Britannic Majesty] will raise no objection to the constitution and maintenance of the auxiliary military force of the conditions set forth above.

(iv) *Reply of the United Kingdom Government, September 1, 1933.*¹

1. In your Note dated August 30 you were good enough to inform me of the grave circumstances which make your Government anxious temporarily to raise the effectives of the Federal Army from 22,000 men to 30,000 men, being the limit fixed by the Treaty of St. Germain, as well as of the reasons which made them wish to be able to recruit these additional effectives in the form of an auxiliary military force

¹ *The Times*, September 4, 1933. The reply of the French Government was identic.

limited in duration to one year and composed of volunteers enlisted for six months. You were good enough to indicate on what basis your Government, after consultation with the other interested Governments, contemplate organizing this auxiliary military force. You added that your Government would be glad to know whether, in view of the special circumstances to which they have drawn attention, as well as of the temporary and exceptional character of the military force now contemplated, His Majesty's Government would raise any objection to the establishment and maintenance of this auxiliary military force under the conditions set forth in your Note.

2. In acknowledging with thanks the receipt of your communication I have the honour to reply as follows:

Having regard in particular to the temporary and exceptional character of the military force now contemplated, as also to the fact that it will be recruited by means of voluntary enlistment and that the limits of effectives and of war material laid down by the Treaty of St. Germain will not be exceeded, His Majesty's Government will raise no objection to the establishment and maintenance of this auxiliary military force in accordance with the conditions set out in your Note, so long as there continue to exist the special circumstances to which you refer, foremost among which they rank the terrorist campaign conducted against the present Government of Austria and the defensive measures adopted on the authority of the Chancellor, Dr. Dollfuss, against the elements of disorder now in question.

JOHN SIMON.

(v) *Communiqué issued after the meeting between Signor Mussolini and Dr. Dollfuss at Riccione, August 21, 1933.*¹

In the course of a conversation on Sunday morning in the Grand Hotel at Riccione, the Austrian Chancellor, Dr. Dollfuss, and the Head of the Government carefully examined the political situation, both from a general point of view and from the particular standpoint of Italy.

The Head of the Italian Government confirmed the principles of Italian policy regarding the future and existence of Austria, the Danubian problem and the wider issues, the solution of which is bound up with the working of the Four-Power Pact.

The Austrian Chancellor, Dr. Dollfuss, explained the situation in Austria, in its internal as well as its international aspect, and, on the basis of the independence of Austria, expressed a desire to pursue a

¹ *Corriere della Sera*, August 22, 1933. Translation prepared by the Information Department.

policy of peace and collaboration with Austria's neighbours, in particular with Italy and Hungary, as well as with Germany, as soon as this might prove possible.

The two statesmen at the conclusion of this conversation declared that there existed between them complete agreement regarding all the problems examined.

(vi) *Extract from Broadcast by Herr Habicht, September 10, 1933.*¹

. . . Turning to the existing situation, the Dollfuss Government has before it the choice between a peaceful solution and a solution by force. The National-Socialist movement is perfectly prepared for an agreement, and I have personally communicated to the Chancellor the conditions on which a *rapprochement* between the National-Socialist Party of Germany and his Party and himself is possible. These conditions demand not more, but far less, than the National-Socialist Party might rightfully have claimed.

Without, however, formally breaking off these negotiations, a bitter campaign was initiated suddenly against the National-Socialist movement, culminating in the prohibition of the Party and in the organization of an unparalleled terror against it. The way of force had been taken. . . . The National-Socialist movement of Austria is as anxious now as before for a peaceful solution, but it is to-day less inclined to depart from the fundamental demands which it originally put before the Austrian Government.

It demands: The full restitution of its rights and privileges as a political party according to the letter and spirit of the Constitution and the Laws of the land; the abrogation of all measures against the leaders and rank and file of the movement; participation in a provisional Cabinet in proportion to its strength; the issue of writs for new elections at the earliest possible moment, and, following them, the formation of a Government in accordance with the results of the voting. These demands correspond to the actual situation in Austria and the wishes of the people no less than to the principles of democracy. . . .

The German National-Socialist Party of Austria has never left any doubt that it regards the Treaties of St. Germain and Versailles as an act of oppression against the German population in Austria, or that its principal aim and object is the unification of Austria with the Reich. It has left even less doubt that its intention to achieve this aim and the alteration of the Treaties, which oppose it, will be

¹ *Frankfurter Zeitung*, September 12, 1933. Translation prepared by the Information Department.

carried out only by way of a friendly understanding with all the Powers concerned.

(vii) *Extracts from Speeches by Dr. Dollfuss, Austrian Chancellor, September 11, 1933, January 18, and February 22, 1934.*

(a) *Vienna, September 11, 1933.*¹

Some people do not seem to understand why we have not acted more drastically in the conflict precipitated in so dastardly a manner in Austria by a party from across the frontier. In reply, I can only say this: we have never ceased to be conscious that we are Germans, and if there is to-day a misunderstanding, intentional or unintentional, between us and our big brother, we have only defended ourselves, but have never attacked. We have, however, always expressed our willingness to find ways in which we can co-operate. Our German consciousness has prevented us from adopting measures for the protection and defence of our honour and our independence, which we would, without doubt, have undertaken long ago against any other country.

We wish to live with Germany in all possible friendliness as hitherto, but in a friendship which involves equal rights and equal obligations on both sides. I will not speak bitterly to-day upon this question. . . . Though we are small and though, as a country, we are poor, we have nevertheless an equal right to our honour.

(b) *Vienna, January 18, 1934.*²

I should like to take this opportunity of saying once again that our great neighbour must at length realize that it is not without danger internationally, when a country, whose importance, however small it may be territorially, is on all sides realized and recognized in central Europe, as well as throughout Europe, finds its freedom and its independence constantly menaced by a great Power and by a State, moreover, inhabited by a people of the same blood.

I regret this all the more because the two States concerned are connected by the closest blood ties, and throughout history have had so much in common. We Austrians are fully conscious of these bonds and this connexion. . . . A country, a State, which in practice adopts the standpoint of the right of the strongest runs the risk of forfeiting its own rights in its dealings with other States and peoples.

¹ *Neue Freie Presse*, September 12, 1933. Translation prepared by the Information Department.

² *Neue Freie Presse*, January 19, 1934. Translation prepared by the Information Department.

(c) *Vienna, February 22, 1934.*¹

The events of the last few days will have convinced every one that the Federal Government possesses not only the determination but also the power to maintain peace and order in this country. I mention this with reference to the threat broadcast recently from a foreign station,² a threat the real meaning of which I am at a loss fully to comprehend. In spite of everything, however, I cannot believe that any one can have the hardihood to attempt a fresh disturbance, however temporary, of our work of reconstruction. Austria during the whole of this period has, in accordance with her obligations, fought for her independence, and for this we will continue to fight, as hitherto, until the bitter end.

Those who until now have been either unwilling or unable to grasp this fact must at last be convinced of this determination. Our aim is an agreed one, and I am firmly convinced that our task to win over the people, to whatever section of society they may belong, and also to gain the confidence of those who have hitherto withheld it or who have strayed along the wrong path, will be crowned with success. On the basis of maintaining complete independence we will pursue our economic activities, and I am glad to be able to declare to you that a slow but steady upward trend is to be noted; this will become greater as economic capacity is expanded and our commercial negotiations are pursued.

I am strongly convinced that sound reason will prevail and that the freedom and independence of our country is a problem not only for this small part of Europe but for central Europe, and indeed for Europe as a whole. And, if we try by our own efforts and with the help of our friends, to extract our country from its difficulties, to assure internal peace, to reconstruct it in a political and social form in harmony with its essential nature and our historical development, if we thus assure to the people a permanent and peaceful co-existence, thereby winning real independence for our country, I maintain that not only we ourselves and Europe, but also the whole conception of peace, will stand to benefit.

(viii) *Joint Communiqué issued by the French, Italian, and United Kingdom Governments, February 17, 1934.*³

The Austrian Government has inquired of the Governments of France, Great Britain, and Italy as to their attitude with regard to the

¹ *Neue Freie Presse*, February 23, 1934. Translation prepared by the Information Department.

² See below, p. 395.

³ *The Times*, February 19, 1934.

dossier which it has prepared with a view to establishing German interference in the internal affairs of Austria and communicated to them.

The conversations which have taken place between the three Governments on this subject have shown that they take a common view as to the necessity of maintaining Austria's independence and integrity in accordance with the relevant treaties.

(ix) *Extract from Broadcast by Herr Habicht, February 19, 1934.*¹

The Dollfuss Government has been successful in the struggle against Austrian Bolshevism. One must now look at the situation as it is to-day. One must realize that there are in Austria, fundamentally, only two forces—on the one side National-Socialism and on the other Anti-Nationalism, that is to say, the combined total of all the opponents of the former. The immediate result of the struggle which has just ended is that the supporters of the defeated section, after the destruction of their organization, have turned to National-Socialism as the bitterest foe of the hated system. The National-Socialist movement alone is in a position to guarantee to a régime its existence and continuation and to provide it with the foundations without which it cannot function or continue to exist.

To-day I ask the Austrian Federal Government whether it is prepared, in order to save the German people in Austria, to go the same road as the National-Socialist movement, that is to say, with the people towards a better German future.

As a proof of the sincerity of its pacific intentions, the headquarters of the National-Socialist movement are dispatching an order instructing all members of the party that a truce will come into force with immediate effect at noon to-morrow and covering the period from Tuesday, February 20 to Wednesday, February 28 at noon, that is to say, for a period of eight days, and that during this truce all members of the party are forbidden on pain of immediate dismissal to attack the Austrian Government or its organs by word, in writing, or by any other means. During this period the only activities allowed to members of the party will be recruiting among the former supporters of the Social-Democrat Party, and self-defence against direct attack. The headquarters of the National-Socialist Party take it for granted that the Federal Government will adopt a similar attitude towards the movement during this period and will return a clear declaration in answer to the question put to it. Should no answer or

¹ *Neue Freie Presse*, February 20, 1934. Translation prepared by the Information Department.

an unsatisfactory reply be received, the struggle will be resumed afresh on the expiration of this period.

(x) *Protocols signed by Austria, Hungary, and Italy, in Rome, March 17, 1934.*¹

(a) *Protocol No. 1.*

The Head of the Government of His Majesty the King of Italy, the Federal Chancellor of the Austrian Republic, and President of the Royal Council of Hungary, animated by a desire to co-operate in the maintenance of peace and in the economic restoration of Europe, on the basis of respect for the independence and rights of every state; persuaded that collaboration between the three Governments in this sense can establish real premises for wider co-operation with other States; undertake, for the achievement of the above-mentioned objects, to concert together, on all problems which particularly interest them and also on those of a general character, with the aim of developing in the spirit of the existing Italo-Austrian, Italo-Hungarian, and Austro-Hungarian Treaties of Friendship based upon the recognition of the existence of their numerous common interests, a mutually agreed policy which shall be directed towards effective collaboration between European states and particularly between Italy, Austria, and Hungary.

To this end, the three Governments will proceed to common consultation each time that at least one of them may consider this course opportune.

L.S. BENITO MUSSOLINI

L.S. ENGELBERT DOLLFUSS

L.S. JULIUS DE GÖMBÖS.

(b) *Protocol No. 2.*

The Governments of Italy, Austria, and Hungary, animated by a desire to develop the economic relations between Italy and Austria, Italy and Hungary, and Austria and Hungary, by giving a new impetus to the exchange of their products and by opposing in every way the unhealthy tendencies of economic self-sufficiency, and to favour by concrete measures the work of economic reconstruction in the Danubian States, in harmony with the spirit of the decisions of the Stresa Conference and with the principles contained in the Danubian Memorandum, submitted by Italy and dated September 29, 1933, are agreed upon the following provisions:

Article 1

The Governments of Italy, Austria, and Hungary undertake to

¹ *Corriere della Sera*, March 18, 1934. Translation prepared by the Information Department.

extend the scope of the agreements actually in force by increasing facilities for reciprocal exports, thereby benefiting to the greatest possible extent from the complementary character of their respective national economies. In order to carry out this, new bilateral agreements shall be concluded before May 15, 1934.

Article 2

The Governments of Italy, Austria, and Hungary, being desirous of adopting the necessary measures for overcoming the difficulties of Hungary, due to the fall in the price of wheat, these agreements shall be concluded as soon as possible, and, in any case, before May 15, 1934.

Article 3

The three Governments undertake to facilitate and develop as far as possible transit traffic in the ports of the Adriatic. With this object, bilateral treaties shall be concluded as soon as possible.

Article 4

The three Governments will establish a permanent commission of three experts whose duty shall be to study the evolution of economic relations between the three countries, and to formulate concrete proposals capable of realizing the greatest possible development of these relations in accordance with the spirit of the present Protocol.

L.S. BENITO MUSSOLINI

L.S. ENGELBERT DOLLFUSS

L.S. JULIUS DE GÖMBÖS.

(c) *Protocol No. 3.*

The Italian Government and the Government of the Austrian Federal Republic, experience having demonstrated that their national economies are, to a great extent, complementary, have decided to take steps to develop and further the economic relations between the two countries. With this object, they have agreed upon the following provisions:

Article 1

Negotiations will be initiated on April 5, 1934, between the two Governments for the conclusion of a new agreement designed to develop and adapt to existing circumstances the present economic relations between the two countries. The new agreement shall be concluded as soon as possible and, in any case, before May 15, 1934.

Article 2

The subject of the agreement mentioned in the preceding Article has been determined as follows:

The concession of a preferential régime in favour of the largest

possible number of original products and products coming from Austria on their importation into Italy.

In so far as concerns the preceding clause, the two Contracting Parties will take into account the necessity of maintaining the concessions within reasonable limits, according to the principle laid down in paragraph (c) of Article 11 of the Danubian Memorandum submitted by Italy and dated September 29, 1933.¹

It is agreed to proceed before May 15, 1934, to the preparation of two lists of which one will indicate the products for which the concession of Customs privileges can be facilitated by means of the conclusion of agreements between the interested producers of the two countries, and of which the other will include the products for which concessions are recognized as applicable independently of any agreement between the producers themselves.

In so far as concerns the products included in the first list, the two Governments undertake to adopt measures to expedite and facilitate the conclusion of industrial agreements.

The three protocols have been drawn up in two copies; one in German and the other in Italian. The Italian text prevails.

L.S. BENITO MUSSOLINI

L.S. ENGELBERT DOLLFUSS

L.S. JULIUS DE GÖMBÖS.

II. FRANCE

Governments rose and fell with startling rapidity during the twelve months beginning February 3, 1933, and closing with the formation of the Doumergue Ministry after the tragic riots of February 6-9, 1934. It is, however, possible to show from the Ministerial Declarations of the five Cabinets concerned the continuous thread running through the foreign policy which France pursued during this period under MM. Daladier, Sarraut, Chautemps, and Doumergue. These documents speak for themselves.²

Important, however, was the speech of M. Daladier at the Congress of the Radical-Socialist Party at Vichy on October 8, 1933,³ for it was in part an answer to a number of speeches made in Germany in the course of the summer and was at the same time an *exposé* of the comparatively conciliatory policy which the French Government of that time was prepared to follow, despite her increasing anxiety with regard to German militarist activities.

(i) *Extracts from Ministerial Declarations.*

(a) *M. Édouard Daladier, February 3, 1933.*⁴

... Pour le surplus qui est du domaine international, nous entendons aussi aller au plus pressé. Souci de la patrie républicaine, souci

¹ See below, p. 410.

² See below, p. 401.

³ See below.

⁴ *Le Temps*, February 4, 1933.

de la paix internationale, notre politique extérieure tient en ces deux termes. Nous voulons la sécurité, toute notre sécurité, la sécurité de tous les peuples qui, pour être égaux en droits, doivent être égaux en devoirs. Sans elle, pas de confiance mondiale, pas de restauration économique, pas même un plan valable de désarmement, encore moins d'arbitrage général, seule méthode qui permette cependant l'évolution pacifique de l'Europe et du monde.

De même qu'à la conférence du désarmement dans laquelle nous soutiendrons les thèses dont nous nous faisons honneur, nous participerons à la conférence économique mondiale, dont les travaux seront destinés à rendre praticable, dans le cadre d'un règlement général, le règlement particulier des engagements et des litiges nés de la guerre.

Dans le même esprit de fraternité internationale, nous rechercherons les conditions d'une paix économique aux moindres dommages respectifs et les modalités d'une paix véritable aux moindres frais d'armes. Ce faisant, nous associerons la permanence de nos desseins français aux vœux des grandes puissances amies auxquelles nous unissons, plus encore que nos traditions et nos souvenirs, les espérances d'un même idéal. Avec les puissances amies, avec toutes les puissances de bonne volonté, notre désir est de nouer ou de renouer des relations de plus en plus étroites et confiantes dans le respect mutuel des institutions. . . .

(b) *M. Albert Sarraut, November 3, 1933.*¹

. . . Cette pensée de paix entre les peuples et les races, nous la traduirons dans les inspirations de notre politique extérieure.

Celle des gouvernements qui nous ont précédés a reçu du Parlement une adhésion explicite et confiante. C'est dans sa continuité que nous trouverons la sauvegarde des intérêts supérieurs de la France. Attendant du respect des obligations contractuelles et d'une juste application du pacte de la Société des Nations le règlement des questions qui pèsent si lourdement, à l'heure actuelle, sur la condition matérielle et morale des peuples, nous poursuivrons notre action extérieure dans un même esprit de solidarité et de collaboration internationale. Cette politique, qui répond au sentiment intime du peuple français, demeure pleinement compatible, vous le savez, avec un fidèle attachement à toutes nos amitiés, inspirées du même souci de stabilité, d'ordre, et de paix dans la sécurité.

Aujourd'hui comme hier, la France, fidèle à ses engagements, autant que soucieuse des garanties qui en étaient la condition, ne se détournera pas de la tâche assumée à Genève en pleine solidarité

¹ *Le Temps*, November 4, 1933.

avec tous les signataires des traités de paix et du pacte de la Société des Nations. Elle poursuivra l'œuvre entreprise sur les bases essentielles arrêtées en principe avec la Grande-Bretagne, les États-Unis et l'Italie et en plein accord avec les autres nations amies.

La France, calme et forte, se veut libre de toute passion parce qu'elle se sait en état de faire respecter son droit.

Et ce droit lui-même se confond, dans les circonstances actuelles, avec celui de toutes les nations sincèrement attachées au maintien de la paix et particulièrement de celles qu'unissent à nous des liens plus précis: la Grande-Bretagne, qui, après avoir partagé si noblement toutes nos épreuves, vient de confirmer, par la voix d'un de ses plus éminents hommes d'État et l'adhésion explicite de son cabinet, l'actualité et la vigueur des accords de Locarno; l'Italie, dont l'amitié a été heureusement affermie par la politique du précédent gouvernement et dont les dernières initiatives diplomatiques ont clairement attesté la volonté de nous rencontrer dans l'œuvre de coopération européenne; les États-Unis d'Amérique, qui par-dessus l'Océan apportent à l'œuvre de paix un concours dont elle ne saurait se passer; la Russie, qui vient de fournir au monde occidental la contribution de ses pactes de non-agression et de ses protocoles de définition de l'agresseur; enfin, nos amis de la Belgique, de la Pologne et de la Petite-Entente qui, sûrs de notre profond attachement, ont été affectueusement associés à nos projets et à nos négociations. . . .

(c) *M. Camille Chautemps, December 2, 1933.*¹

. . . De même, nous poursuivrons, en plein accord avec les commissions parlementaires et les Assemblées, la politique extérieure traditionnelle de la France républicaine et pacifique, fidèle à la Société des Nations, à son idéal de coopération internationale, comme à ses amitiés, ses ententes et ses pactes.

Prêts à poursuivre, selon la procédure normale des chancelleries, l'amélioration de nos rapports avec toutes les puissances, nous estimons que des accords particuliers ne sauraient servir la paix que s'ils ne portent aucune atteinte à notre propre sécurité et s'ils respectent les engagements internationaux par lesquels tous les peuples ont cherché depuis la guerre à garantir en commun leurs droits. . . .

(d) *M. Édouard Daladier, February 7, 1934.*²

. . . En face de l'Europe inquiète et divisée, nous affirmerons à nouveau la volonté de paix et de sécurité de la France dont toute la

politique tient en ces deux termes: coopération internationale et défense nationale. Fidèles à la Société des Nations et à nos amitiés éprouvées, sachant que la France a trop clairement témoigné de sa tenace volonté de paix pour rien redouter du clair jugement des peuples, nous n'assumerons, ni par aveuglement ni par faiblesse, la responsabilité de laisser notre pays glisser avec l'Europe entière à de nouvelles catastrophes. La paix est un idéal qu'il ne suffit pas de souhaiter, mais qu'il faut faire entrer dans la réalité par une méthode loyale, loin des apparences vaines, loin des équivoques dangereuses. . . .

(e) *M. Gaston Doumergue, February 15, 1934.*¹

. . . Les problèmes de politique extérieure imposent tout aussi impérieusement la trêve des partis et l'apaisement des esprits.

La paix entre les Français est un puissant élément de garantie de la paix mondiale aussi bien que de la sécurité de la France.

Seule, la paix intérieure nous donnera l'autorité nécessaire pour jouer un rôle utile à la Société des Nations et dans les conférences internationales. Seule aussi elle nous permettra de prendre, dans l'accord de tous les citoyens, les efficaces mesures de sécurité qui mettront notre pays à l'abri de dangereuses surprises. . . .

(ii) *Extract from Speech by M. Édouard Daladier, October 8, 1933.*¹

. . . Si, dans les mois qui précèdent, le crédit de la France est apparu considérable, notamment à l'étranger, c'est que nous avons suivi une politique extérieure de clairvoyance et de raison. Dans une Europe inquiète et tourmentée, où souvent retentissent tant d'appels à la violence, où souvent le culte de la force est célébré comme celui d'une divinité, notre devoir est de faire en sorte que notre pays, calme et pacifique, assure en toute circonstance sa propre liberté. Le monde entier connaît notre volonté de paix. Nous lui avons spontanément consenti des sacrifices sans exemple dans l'histoire. Nous ne songeons ni à menacer ni à humilier aucun peuple, quel que soit le régime qu'il se donne ou qu'il supporte. C'est pourquoi nous sommes résolus à n'admettre aucune réduction nouvelle de nos forces en dehors d'un accord international, sincère et loyal, qui organise un désarmement progressif assuré par l'établissement d'un contrôle permanent et automatique, accord dont l'exécution doit être effectivement garantie.

Telle est la position sincère que nous avons prise. Elle exclut les marchandages, parce que nous lui avons donné l'adhésion de nos consciences. Une période de quatre années, pendant laquelle le

¹ *Le Temps*, February 16, 1934.

² Before the Radical-Socialist Congress at Vichy. *Le Temps*, October 9, 1933.

contrôle sera organisé et commencera son œuvre, tandis que les divers types d'armées se transformeront progressivement en une armée de service à court terme excluant les formations paramilitaires, et que les États actuellement libres d'armer se soumettront à l'interdiction de fabriquer de nouveaux matériels lourds, puis, le contrôle s'étant révélé efficace, la destruction des matériels désormais interdits à tous les États, telles sont les idées essentielles d'un plan de désarmement qui réunit aujourd'hui les suffrages de la Grande-Bretagne, des États-Unis, de l'Italie, de la Russie, de bien d'autres pays encore. Il est naturel que leur situation géographique, leur histoire, leur génie propre les conduisent à des différences d'idées. Des négociations sont en cours sur les garanties que doit comporter la convention. C'est avec joie que nous verrions aboutir bientôt cette œuvre de coopération. Quel est donc l'homme d'État responsable qui pourrait recommander à son pays, dans le monde actuel, une politique d'isolement, ou le jeter dans une politique d'alliances antagonistes, sans y être contraint par la nécessité ? Nous voulons une paix digne et loyale pour tous les peuples, la sécurité pour tous les peuples. Telle est notre pensée. A Genève, devant la Société des Nations, M. Paul-Boncour l'a exposée avec clarté. J'ai la certitude qu'elle traduit la volonté du pays.

Je ne saurais faire état des négociations qui se poursuivent. Mais à l'heure où les problèmes politiques qui pèsent si lourdement sur toute économie mondiale exigent autant de bonne volonté que de ferme vigilance de la part de tous les peuples héritiers d'une même civilisation, je dis qu'il est réconfortant d'entendre la voix autorisée d'un des membres les plus éminents du gouvernement britannique¹ s'élever en public pour rappeler la solidarité de son pays dans le partage des responsabilités européennes en même temps que son attachement au respect absolu des grands accords internationaux qui ont été conclus, après la guerre, pour le maintien de la paix en Europe.

Je reconnais en cette voix la voix bien connue d'un grand peuple toujours attentif aux destinées du monde occidental telles que les conçoit elle-même la France républicaine, sous un régime international de liberté, de justice et de paix.

Au risque de soulever des critiques, mais soucieux de dire toute ma pensée, je ne parviens pas à comprendre, si tous les gouvernements sont de bonne foi, que le désarmement progressif et contrôlé ne reçoive pas leur adhésion.

¹ Mr. Stanley Baldwin speaking at Birmingham, on October 6, 1933, said 'What Great Britain has signed she will adhere to. . . .'

L'Europe, dans la crise présente, est vouée à la ruine si elle se livre à la course aux armements. Elle est certaine d'une destruction totale et de la victoire de la barbarie si de nouveau elle recourt à la guerre.

Mais je dois poser la question qui est dans vos esprits. Que veut l'Allemagne? Elle et nous, nous avons ensanglanté la terre du meilleur de notre sang. Dans le passé, toutes les tentatives d'entente durable entre les deux peuples ont abouti à un échec. Personne cependant ne conteste le droit de l'Allemagne à son existence de grande nation. Personne ne songe à humilier l'Allemagne. Il nous arrive d'entendre son gouvernement protester publiquement de sa volonté de paix, et affirmer par la voie diplomatique son désir de travailler à un rapprochement des deux peuples. Mais pourquoi de l'autre côté du Rhin cette jeunesse dressée pour le combat? Pourquoi ces manifestations répétées de masses encadrées? Pourquoi ce refus de la première étape vers le désarmement? Pourquoi demander le droit de construire, aujourd'hui, un coûteux matériel de guerre qui devra être détruit peu après sa mise en service si la convention est signée?

Telles sont les questions qui se pressent devant nous. La France demeure fidèle à son propre génie, soucieux de mesure, d'équité et de raison. Nul ne saurait lui reprocher d'être d'autant plus résolue à organiser sa défense qu'elle a donné des gages répétés de son amour sincère et loyal de la paix. Mais je reviens par ce détour à mes premières paroles: la défense nationale est inséparable de l'équilibre budgétaire. Il ne saurait y avoir de politique extérieure active et libre si l'ordre ne règne pas dans les finances publiques. . . .

III. GERMANY¹

On March 5, 1933, the German electorate gave to the Nazi-Nationalist Coalition a majority of 51 per cent., and three weeks later, on March 23,² Herr Adolf Hitler addressed the newly elected Reichstag for the first time. His speech was of international importance as giving the key to the policies which the new Third Reich was preparing to follow.

It was on the whole a pacific speech and stands out with marked distinction from that made by the Vice-Chancellor, Herr von Papen, some six weeks later, when, on May 12,³ he struck a note at Münster entirely reminiscent of the Prussian spirit of pre-war Germany. This speech was an important contributory factor to the grave situation which arose in Europe as a result of Nazi foreign policy during the early summer, which was temporarily alleviated by the second speech by the Chancellor before the Reichstag on May 17.⁴

¹ See *Survey* for 1933, Part II (i).

² See below, p. 406.

³ See below, p. 404.

⁴ See above, p. 196.

Important also was the speech of the Chancellor before the Congress of the National-Socialist Party at Nuremberg on September 3, 1933,¹ in which he reiterated the important fact that in the course of the War the German Army remained undefeated and that it would be impossible for Germany to gain 'more honour than was won in the last War'. He further emphasized the mission of Nazi Germany as being the spear-head of Europe against the aggression of Bolshevism—a theme which he developed in his broadcast speech on October 14.²

(i) *Extract from Speech by Herr Adolf Hitler, Chancellor of the Reich, March 23, 1933.*³

... Germany has waited now for years for the other nations to fulfil their promise of imitating our disarmament. It is the sincere wish of the National Government to be able to refrain from an increase in the German army and in our weapons in so far as the rest of the world is at length inclined to realize its duty of radical disarmament. For Germany wants nothing else but an equal right to life and equal freedom. The National Government will bring up the German people into this spirit of the will to freedom. The honour of the nation, the honour of our army, the ideal of freedom must again become sacred to the German people. The German people wish to live in peace with the world. The Government will for that very reason strive to annul the division of the peoples of the earth into two categories. The National Government is prepared to stretch out its hand in genuine agreement to every people willing once for all at length to put an end to the sad past.

The misery of the world will only be alleviated when peoples once more have trust in one another. To establish such trust the Government regards as necessary:

- (i) The unconditional internal authority of political leadership as a means to the restoration of confidence in the stability of relations.
- (ii) The security for a long period of peace by the really great nations as a means to restoring the confidence of peoples in one another.
- (iii) The final victory of the principles of reason in the organization and direction of economic life, and hence a general international liquidation of reparations and impossible debt and interest obligations.

Unfortunately the fundamental international adjustment of the disarmament question is frustrated again and again by the discussion

¹ See below, p. 406.

² See above, p. 289.

³ In the Reichstag. *Manchester Guardian*, March 30, 1933.

of particular technical problems. The present position of uncertainty cannot, however, last any longer. As a sign of goodwill we recognize that in Geneva the British Government made an attempt to bring the Conference at length to a speedy decision. The Reich Government supports any effort towards general disarmament by the demand for a guarantee of the German principle of equality of treatment. In fourteen years we alone have disarmed, and for fourteen months we have been waiting vainly for the upshot of the Disarmament Conference.

Even more comprehensive than the English plan is that of the head of the Italian Government, which will ensure a peaceful evolution of European policy. We attach the most serious significance to this plan and are prepared on this basis to co-operate sincerely in the attempt to bring the four Powers—Germany, Italy, England, and France—into a partnership, on the result of which the fate of Europe depends.

We are especially grateful for the sympathetic cordiality with which Germany's revival has been greeted in Italy. We desire and hope that the similarity of spiritual ideals will be the foundation for a permanent deepening of friendly relations between the two countries. In the same way, the National Government lays the greatest value on further maintaining and developing friendly relations with the Holy See.

With reference to Austria, the Reich Government is fully conscious of the unity of the destiny of all the German peoples. As far as the other Powers are concerned, we want to exert ourselves honourably to find a settlement, even where our mutual relations are not yet quite clear. At all events, the basis of these efforts can never be the distinction between victor and vanquished.

Such an adjustment is also possible with France, if the Governments take into consideration both sides of the problems in question. With regard to the Soviet Government, the Government of the Reich is willing to pursue a friendly path productive for both parties. The struggle against Communism in Germany is an internal matter, in which we will never endure interference from without. The political relations of the State with other Powers to which we are bound by common interests will not be disturbed by it.

The fate of Germans outside the frontiers of the Reich, who have the special task of struggling for the protection of their language, culture, manners, and religion, will always move us to intercede with every means at our command for the rights guaranteed to German minorities.

We greet the plan of the World Economic Conference. We desire that it should be soon convoked. The Reich Government is prepared to co-operate to produce at length a positive result. Among its most important problems are the adjustment of our short- and long-term debts and the accommodation of interest charges to the lowest rate that prevails elsewhere in the world. Only from a co-operation full of mutual trust can a genuine alleviation of the universal crisis develop. Ten years of genuine peace would contribute more to the well-being of all nations than chasing for thirty years after the false idea of victor and vanquished. . . .

(ii) *Extract from Speech by Herr Franz von Papen, Vice-Chancellor, May, 12, 1933.*¹

. . . Pacifist war literature made out that he who fell on the field of honour died an unnatural death. It had no understanding for the old military song 'There is in the world no better death than to be slain by the foe'. It could not understand the ancient German aversion to death on a mattress. . . . What the battle-field was for man motherhood was for woman . . . a philosopher had said that he was no man who was not a father; it was even more true that she was not a woman who was not a mother. The maintenance of eternal life demanded the sacrifice of the individual. Mothers must exhaust themselves in order to give life to children. Fathers must fight on the battle-field in order to secure a future for their sons.

(iii) *Extracts from Speeches by Herr Adolf Hitler, Chancellor of the Reich, September 3, 1933.*²

. . . Fourteen years of darkness, misery, and disgrace lie behind us, but Heaven can bear witness that this disgrace has now been wiped out. The world must not see in the Nazi revolution which has redeemed Germany the expression of a desire to win new laurels on the battle-field, because the German people know that no war could take place which would gain for their country more honour than was won in the last War. It is more honourable for one land to hold out four and a half years against superior odds than it is for twenty countries to conquer a single nation. Germany is not in need of rehabilitation on the battle-field, for there she has never lost her prestige. . . .

. . . If a single country in Western or Central Europe succumbed

¹ At Münster. *The Times*, May 15, 1933.

² Before the National-Socialist Party Congress at Nuremberg. *The Times*, September 4, 1933.

to Bolshevism, the poison would spread till it had infected the oldest and finest civilizations. By waging war on Bolshevism, Germany, as often before in her history, is fulfilling a European mission. . . .

IV. GREECE

The new spirit of amity in the Balkans,¹ which owed so much to the inspiration of Signor Mussolini and which had its first tangible evidence in the Convention between Greece and Turkey signed on June 10, 1930, providing for the final liquidation of the questions arising out of the application of the Treaty of Lausanne and the Athens Agreement relative to the exchange of populations, and later in the Treaty of Neutrality, Conciliation, Arbitration, and Friendship, and the Aegean Pact of Stability signed on October 30, 1930,² was carried still farther in 1933 by the negotiation of a further Treaty of Friendship between the two countries concerned which was signed on September 14,³ by which the Contracting Parties mutually guaranteed the inviolability of their common frontiers and agreed on a policy of preliminary consultation on international questions of common interest.

After some months of diplomatic activity marked by an interchange of visits in the last months of 1933 and January 1934, a four-Power Balkan Pact of Understanding was signed by Greece, Rumania, Turkey, and Yugoslavia in Athens on February 9, 1934,⁴ the essential wording of which was almost identical with the Greco-Turkish Agreement of the previous year. Bulgaria and Albania were not parties to the Pact. Though the text contains provision for the adherence of other countries, the four Powers concerned agreed to make such adherence conditional upon their common agreement and not to embark upon any political action or assume any political obligation towards any other non-signatory Balkan country without previous mutual discussion. Three secret protocols were attached.

(i) *Pact of Friendship, Non-Aggression, and Neutrality between Greece and Turkey, September 14, 1933.*⁵

La Grèce et la Turquie, fidèlement attachées à leur politique d'amitié, d'entente et de collaboration cordiale ;

Décidées à assurer le développement constant de cette politique, dont les effets se ressentent dans tous les domaines de leur activité nationale et internationale ;

S'inspirant, d'autre part, de l'esprit du Pacte Briand-Kellogg et d'autres actes internationaux dont elles sont signataires et désireuses de donner un nouveau témoignage solennel de leur attachement à la cause de la paix ;

Ont résolu de conclure un Pacte et Elles ont nommé à cet effet leurs plénipotentiaires, à savoir :

¹ See *Survey* for 1933, Part II (iii).

² See *Documents* for 1930, pp. 154-65.

³ See below.

⁴ See below, p. 408.

⁵ *L'Europe Nouvelle*, October 14, 1933.

Le Président de la République Hellénique: S.E. M. Panagiotis Tsaldaris, Président du Conseil, S.E. M. Demetrius Maximos, Ministre des Affaires Étrangères;

Le Président de la République Turque: S.E. le général Ismet Pacha, Président du Conseil; S.E. M. Tevfik Rüstü Bey, Ministre des Affaires Étrangères;

Lesquels, après s'être communiqué leur plein pouvoir trouvé en bonne et due forme, ont arrêté:

Article premier. La Grèce et la Turquie garantissent mutuellement l'inviolabilité de leur frontière commune.

Article 2. Les Hautes Parties Contractantes conviennent que dans toutes les questions d'ordre international pouvant présenter un intérêt pour Elles, une consultation préalable est conforme à la directive générale de leur politique d'entente et de collaboration et à leurs intérêts respectifs et communs.

Article 3. Dans toutes les réunions internationales à représentation limitée, la Grèce et la Turquie sont disposées à considérer que le délégué de l'une d'Elles aura la mission de défendre les intérêts communs et particuliers des deux parties, et Elles s'engagent à unir leurs efforts pour assurer cette représentation commune, soit à tour de rôle à chacune d'Elles, soit dans des cas particuliers d'intérêts spéciaux au pays le plus intéressé.

Article 4. Le présent Pacte est conclu pour une durée de dix ans. S'il n'est pas dénoncé par l'une des Hautes Parties Contractantes une année avant la date de son expiration, il restera en vigueur pendant une nouvelle période de dix ans.

Article 5. Le présent Pacte sera ratifié et les ratifications seront échangées à Ankara aussi vite que possible. Il entrera en vigueur à partir de la deuxième ratification qui sera communiquée par note à l'autre Partie contractante.

Fait à Ankara, le 14 Septembre, 1933.

L.S. PANAGIOTIS TSALDARIS.

L.S. ISMET PACHA.

(ii) *The Pact of Balkan Understanding, February 9, 1934.*¹

Le Président de la République Hellénique, sa Majesté le Roi de Roumanie, le Président de la République Turque, et sa Majesté le Roi de Yougoslavie,

Désireux de contribuer au raffermissement de la paix dans les Balkans,

Animés de l'esprit d'entente et de conciliation qui a présidé à

¹ *Le Messenger d'Athènes*, February 10, 1934.

l'élaboration du Pacte Briand-Kellogg et aux décisions y relatives de l'Assemblée de la Société des Nations,

Fermement décidés à assurer le respect des engagements contractuels déjà existants et le maintien de l'ordre territorial actuellement établi,

Ont résolu de conclure un Pacte d'Entente Balkanique et à cet effet ont désigné pour Leurs Plénipotentiaires respectifs, à savoir:

Le Président de la République Hellénique: S.E. M. Demetrius Maximos, Ministre des Affaires Étrangères,

Sa Majesté le Roi de Roumanie: S.E. M. Nicolas Titulesco, Ministre des Affaires Étrangères,

Le Président de la République Turque: S.E. M. Tevfik Rüstü Bey, Ministre des Affaires Étrangères,

Sa Majesté le Roi de Yougoslavie: S.E. M. Bogoljub Jevtić, Ministre des Affaires Étrangères,

Lesquels, après avoir échangé leurs pleins pouvoirs, reconnus en bonne et due forme, sont convenus des dispositions suivantes:

Article Premier. La Grèce, la Roumanie, la Turquie, la Yougoslavie garantissent mutuellement la sécurité de toutes leurs frontières balkaniques.

Article 2. Les Hautes Parties Contractantes s'engagent à se concerter sur les mesures à prendre en présence d'éventualités pouvant affecter leurs intérêts tels qu'ils sont définis par le présent accord. Elles s'engagent à n'entreprendre aucune action politique envers tout autre pays balkanique non signataire du présent accord, sans avis mutuel préalable, et n'assumer aucune obligation politique envers tout autre pays balkanique, sans le consentement des autres Parties Contractantes.

Article 3. Le présent accord entrera en vigueur dès sa signature par toutes les Puissances Contractantes, et sera ratifié le plus rapidement possible. Il sera ouvert à tout pays balkanique dont l'adhésion fera l'objet d'un examen favorable de la part des Parties Contractantes et prendra effet dès que les autres pays signataires auront notifié leur accord.

En foi de quoi lesdits Plénipotentiaires ont signé le présent Pacte.

Fait à Athènes, le 9 Février 1934, en quatre exemplaires dont un a été remis à chacune des Hautes Parties Contractantes.

L.S. DEMETRIUS MAXIMOS.

L.S. TEVFIK RÜSTÜ.

L.S. NICOLAS TITULESCU.

L.S. BOGOLJUB JEVTIĆ.

V. ITALY

By the Lausanne Agreement of July 9, 1932, a Committee was appointed with a view to achieving the financial and economic reconstruction of central and eastern Europe, to consider measures for meeting difficulties of transfer and of exchange control, and stimulating trade activity with special reference to the low price of cereals. This Committee sat at Stresa from September 5 to 20, 1932, and adopted a draft Convention providing for the establishment of a fund to which all, or nearly all, the European States would contribute and from which 75,000 gold francs would be paid annually to the agrarian States who would then gradually withdraw their restrictions on imports from industrial States.¹

The recommendations of the Stresa Convention remained unadopted, and on September 29, 1933,² the Italian Government circulated to the delegates of the other leading Powers a memorandum containing a series of suggestions for putting into practice the conclusions contained in the Convention, but with preferential tariffs for cereals in all the Succession States, and preferential treatment for Austrian industrial products.

1. ITALIAN MEMORANDUM ON THE POSITION IN CENTRAL EUROPE,
September 29, 1933³

1. Le déplacement d'intérêts économiques provoqué, à la suite du démembrement de l'empire austro-hongrois, par la création, qui en fut la conséquence, de nouveaux États ou de l'élargissement de certains États préexistants, a créé pour plusieurs des États successeurs de nouveaux problèmes économiques et financiers dont quelques-uns ont déjà trouvé leur solution ou sont en voie de la trouver, tandis que d'autres exigent encore une considération approfondie et des mesures appropriées.

2. Cette nécessité qui a été tout de suite saisie, dès la fin de la guerre, a donné lieu à plusieurs tentatives en vue de favoriser l'ajustement et le développement économique des pays danubiens qui ont été particulièrement affectés par le nouvel état de choses. Une idée qui a été parfois avancée et appuyée, c'est de reconstituer l'entité économique qui existait du temps de l'empire ou de grouper à nouveau une partie des États successeurs.

Mais cette idée s'est heurtée à plusieurs difficultés de réalisation même lorsque tout dernièrement, sous la pression de la crise mondiale, elle a été de nouveau mise en avant, à la Conférence de Londres de 1932, ainsi qu'en d'autres occasions. On ne peut en effet oublier ni le fait que les territoires faisant partie de l'ancienne monarchie se sont désormais soudés en grande partie avec d'autres qui lui étaient

¹ See *Documents* for 1932, pp. 3 and 20.

² See below.

³ *L'Europe Nouvelle*, November 11, 1933.

étrangers, ni que, entre temps, de nouveaux intérêts et de nouveaux ensembles économiques ont surgi.

3. Des idées, moins vastes peut-être, ont eu plus de succès parce qu'elles étaient plus près de la réalité et au surplus elles n'étaient pas influencées par des considérations politiques. On pourrait citer à ce propos les emprunts accordés à l'Autriche et à la Hongrie, ainsi que la Conférence et les accords de Porto-Rose en 1921, ou l'accord de Rome pour la Südbahn en 1923. Leur importance économique en effet n'est pas négligeable, ce qui témoigne de tendances et de possibilités dont l'on doit tenir compte.

4. Un autre élément d'importance fondamentale, c'est la diversité des conditions économiques et financières des États en question.

Certains d'entre eux disposent en effet d'un territoire étendu, d'une population nombreuse et sont pourvus de matières premières en abondance, ce qui leur assure parfois des possibilités d'indépendance économique.

D'autres, notamment l'Autriche et la Hongrie, se trouvent au contraire, de par leur condition, dans une situation économique bien plus difficile. D'ailleurs, certains de ces États sont surtout agricoles, tandis que d'autres sont principalement des pays industriels.

5. Un autre élément de fait d'importance fondamentale, c'est que les rapports commerciaux de cinq, par exemple, de ces États entre eux, c'est-à-dire de ceux dont il est plus souvent question, ne représentent qu'une partie, pour important qu'elle soit, du montant total de leurs échanges. Une autre partie non moins importante se dirige vers des pays autres que les cinq indiqués. De sorte que pour ces derniers, il ne pourrait pas y avoir d'organisation satisfaisante, si l'on ne tenait compte aussi de cette partie de leurs échanges commerciaux.

6. Plusieurs des propositions avancées à l'égard des pays danubiens n'ont pas eu de suite au surplus parce qu'elles donnaient lieu à des soupçons de visées politiques et que, même dans le domaine économique, elles ne paraissaient pas apporter l'aide nécessaire à ceux des pays dont les conditions demandaient le plus d'attention.

Il ressort avec évidence, de tout ce que l'on vient de dire, que pour améliorer la situation des pays danubiens, notamment pour certains d'entre eux, il faut développer leur exportation en permettant à leur production de surmonter les barrières douanières, et en assurant à cette production un écoulement à des prix raisonnables. Cela a été affirmé chaque fois que l'on a pris en considération la situation des pays danubiens, mais la réalisation pratique de ce principe est bien loin d'avoir reçu toute l'application qui aurait été désirable.

7. Parmi toutes les initiatives et les conférences qui ont porté, surtout dernièrement, sur les conditions économiques des pays danubiens, la Conférence de Stresa est sans doute celle qui a montré le plus de sens du réel. Cette Conférence recueillit, lorsqu'elle eut lieu, l'adhésion unanime des États, successeurs ou non-successeurs, qui y prirent part, et certains des principes établis à cette occasion ont trouvé par suite une application qui s'est démontrée plus d'une fois utile. Il serait possible de donner à ces principes, il est évident, une application pratique plus étendue. Mais, pour nous tenir dans le domaine du réel, il faudrait commencer d'abord par celui du traitement préférentiel que l'on devrait aussi préciser de façon à lui assurer une réalisation efficace et suffisante.

On pourrait établir que ce système est applicable non seulement à la production industrielle autrichienne et aux céréales des pays danubiens, mais aussi à d'autres importants produits agricoles de ces pays.

On pourrait de même établir des limites raisonnables entre lesquelles les pays tiers qui jouissent du traitement de la clause de la nation la plus favorisée devraient consentir à ne pas en exiger une application trop rigide.

8. Mais, pour que cela puisse se faire autant qu'on doit le souhaiter, il faut établir ce système sur des bases économiques. On pourrait y parvenir par l'adoption, de la part des pays danubiens, des mesures leur permettant d'assurer une partie de leur marché à ceux des pays non-danubiens qui ont normalement une balance commerciale débitrice par rapport aux pays danubiens eux-mêmes.

Cette faveur par contre ne devrait pas être accordée à ceux des pays non-danubiens dont la balance par rapport aux pays danubiens considérés chacun séparément est créditrice. D'abord parce que le cours normal de leurs échanges assure déjà à ces pays un profit raisonnable; mais aussi parce que les pays danubiens, ayant la nécessité de parvenir à un redressement en même temps économique et financier, il faut qu'ils tâchent d'assurer un meilleur équilibre à leur balance commerciale par rapport à tous les pays tiers.

9. Plusieurs des projets qu'on a proposés dans le passé étaient fondés sur l'idée préalable d'un plan d'ensemble auquel les pays intéressés auraient sans doute plus donné application. La variété des conditions économiques et financières des États danubiens et des États successeurs, la diversité de leur production, la nécessité que les accords pour amener à un résultat effectif tiennent compte des exigences particulières à chaque pays, et enfin d'autres considérations font ressortir la grande difficulté de réaliser des accords plurilatéraux ou collectifs.

Il est par contre possible d'établir certains principes généraux et sur cette base d'aboutir à des ententes ou à des accords bilatéraux. De ces derniers accords d'ailleurs, bien que d'une façon limitée, il y en a qui sont déjà en cours de réalisation, à la satisfaction des intéressés. Leur développement successif nous fournira des éléments précieux pour juger de leur extension ultérieure.

10. La Conférence de Stresa avait de même prévu l'établissement d'un fonds spécial pour la valorisation des céréales. Cette question mérite évidemment une attention approfondie, mais en vue des difficultés que l'on a rencontré et de la nécessité d'arriver au plus tôt à un remède efficace, l'établissement de ce fonds pourrait être pour le moment renvoyé à des pourparlers à venir.

Il faudra au contraire considérer avec la plus grande attention et avec le plus grand soin tout ce qui concerne la situation financière (endettement, etc.) de certains de ces États.

11. En résumé, et à la suite de cet examen objectif et limité au domaine économique, avec la volonté d'aider les États danubiens et d'apporter par cela un soulagement aux conditions générales de l'Europe, une action efficace devrait être fondée sur les principes suivants :

- (a) Accords bilatéraux ;
- (b) Traitement préférentiel pour les céréales et autres produits agricoles des pays danubiens ;
- (c) Traitement préférentiel pour la production industrielle autrichienne. L'application des alinéas (b) et (c) implique naturellement une limitation qu'il faudra retenir dans des bornes raisonnables—des droits des pays tiers jouissant de la clause de la nation la plus favorisée ;
- (d) Amélioration de la balance commerciale des pays danubiens et augmentation de leurs exportations. Chacun de ces pays danubiens devrait réserver une partie équitable de son marché à chacun des pays non-danubiens qui lui octroie des droits préférentiels tout en ayant par rapport à lui une balance débitrice ;
- (e) Mesures visant à diriger le courant du trafic de ces pays vers ses voies naturelles et par cela aptes à faciliter le trafic même ;
- (f) Mesures à adopter pour améliorer la balance des comptes des pays danubiens, mesures que les accords dont on souhaite la conclusion pourraient entre temps indirectement préparer et faciliter.

12. Les principes que l'on vient d'exposer, bien que ressortant de

l'examen objectif de la situation, tiennent compte autant que possible des propositions et des idées qui ont été avancées à ce sujet de la part de gouvernements ou autres, et tâchent de les harmoniser. Des précisions plus détaillées pourraient être fournies après qu'un échange de vues ait lieu entre les États signataires du Pacte à Quatre, et entre les États successeurs danubiens et autres.

2. EXTRACT FROM SPEECH BY SIGNOR MUSSOLINI, NOVEMBER 14, 1933¹

... There is then a European crisis, a crisis peculiar to Europe.

Europe is no longer the continent which leads human civilization.

This is the dramatic state of affairs which every man, whose duty it is to reflect and think, must realize himself and impress upon others.

There was a time when politically, economically, and spiritually Europe dominated the world.

It dominated it politically through its political organizations; spiritually through all that the spirit of Europe has produced through the ages; economically, because it was the only thoroughly industrialized continent.

But, beyond the Atlantic, another vast capitalist and industrial enterprise has developed. In the Far East there is Japan, which, after having come into contact with Europe by means of the war of 1905, has marched rapidly towards the West.

Here the problem is a political one. Let us speak of politics: for this Assembly is also a highly political one. Europe might still endeavour to grasp the helm of world civilization once more, could it but find a minimum of political unity.

We must follow those principles which have hitherto always guided us. But this European political understanding cannot take place unless certain great injustices are first rectified. We have now reached an extremely grave point in this situation. The League of Nations has lost all that might have given it a political significance and an historic value. In the meanwhile its very begetter never became a member of it. Russia, the United States, Japan, and Germany are now absent. The League had started from one of those principles which, when enunciated, are very beautiful but which, when examined, analysed, and dissected, reveal themselves absurd.

What other diplomatic instruments exist which could restore contact between States?

¹ Before the Assembly of the National Council of Corporations. Official translation.

Locarno? Locarno is another matter. It has nothing to do with disarmament: you cannot attain disarmament by that route.

As for the Four-Power Pact, it has of late been enveloped in silence. Nobody talks about it, but everybody is thinking about it. And for this very reason we do not intend to take any initiative or to accelerate the development of a situation which must logically and inevitably mature by itself. . . .

VI. THE LITTLE ENTENTE

The Little Entente, created by treaties negotiated between Yugoslavia, Czechoslovakia, and Rumania in 1920 and 1921 for the preservation of the *status quo* in central Europe established by the Treaties of Peace, displayed in the years which followed an increasing tendency to become welded into a definite political unity. Early stages in this progress were the negotiation in 1929 of a General Act of Conciliation, Arbitration, and Judicial Settlement between the three countries,¹ to be followed later by an Agreement for consultation between the three General Staffs. The most recent development was the signature on February 16, 1933, of a Pact of Organization or Statute,² which transformed the Entente into a unified international organization, which would eventually be open to other States. The necessity for this step and the implications thereof were set forth at a joint session of the Commissions on Foreign Affairs of the Czechoslovak Chamber and Senate by the Foreign Minister, Dr. Édouard Beneš, on March 1, 1933.³

(i) *Statute of the Little Entente, February 16, 1933.*⁴

Le Président de la République Tchécoslovaque, sa Majesté le Roi de Roumanie et sa Majesté le Roi de Yougoslavie,

Désireux de maintenir et d'organiser la paix,

Ayant la ferme volonté d'intensifier les rapports économiques avec tous les États sans distinction et avec les États de l'Europe Centrale en particulier,

Soucieux de voir sauvegarder la paix dans toutes les circonstances, d'assurer l'évolution vers une stabilisation définitive des conditions en Europe Centrale et de faire respecter les intérêts communs de leurs trois Pays,

Décidés de donner, à cet effet, aux rapports d'amitié et d'alliance qui existent entre les trois États de la Petite Entente, une base organique et stable, et

Convaincus de la nécessité de réaliser cette stabilité, d'une part, par l'unification complète de leur politique générale et, d'autre part,

¹ See *Documents* for 1929, p. 142.

² See below.

³ See below, p. 418.

⁴ Official text issued by the Ministry of Foreign Affairs, Prague.

par la constitution d'un organe directeur de cette politique commune, le groupe des trois États de la Petite Entente, formant ainsi une unité internationale supérieure et ouvert à d'autres États dans les conditions à convenir dans chaque cas particulier,

Ont résolu d'établir ce qui suit dans les dispositions ci-après, et

Ont désigné pour leurs Plénipotentiaires, à savoir :

Le Président de la République Tchécoslovaque : S.E. M. Édouard Beneš, Ministre des Affaires Étrangères,

Sa Majesté le Roi de Roumanie : S.E. M. Nicolas Titulescu, Ministre des Affaires Étrangères,

Sa Majesté le Roi de Yougoslavie : S.E. M. Bogoljub Jevtić, Ministre des Affaires Étrangères,

Lesquels, après avoir présenté leurs pleins pouvoirs, sont convenus des dispositions suivantes :

Article Premier

Un Conseil Permanent des États de la Petite Entente composé des Ministres des Affaires Étrangères des trois pays respectifs ou des Délégués spéciaux, nommés à cet effet, est constitué comme organe directeur de la politique commune du groupe des trois États. Les décisions du Conseil Permanent seront prises à l'unanimité.

Article 2

Le Conseil Permanent, en dehors de ses rapports réguliers par la voie diplomatique, se réunit obligatoirement au moins trois fois par an. Une des réunions annuelles obligatoires a lieu, tour à tour, dans chacun des trois États, l'autre se tiendra à Genève lors de l'Assemblée de la Société des Nations.

Article 3

Le Président du Conseil Permanent est le Ministre des Affaires Étrangères de l'État où se tient la réunion obligatoire annuelle. C'est lui qui prend l'initiative en vue de fixer la date et de désigner le lieu de la réunion, et qui arrête son ordre du jour et prépare les décisions à prendre. Jusqu'à la première réunion obligatoire de l'année suivante, il reste Président du Conseil Permanent.

Article 4

Dans toutes les questions qui sont discutées ainsi que dans toutes les décisions qui sont prises, soit en ce qui concerne les rapports des États de la Petite Entente entre eux, soit en ce qui concerne leurs rapports avec les tiers, le principe de l'égalité absolue des trois États de la Petite Entente est rigoureusement respecté.

Article 5

Suivant les nécessités de la situation, le Conseil Permanent peut décider que dans une question déterminée la représentation ou la défense du point de vue des États de la Petite Entente sera confiée à un seul Délégué ou à la Délégation d'un seul État.

Article 6

Tout traité politique de chaque État de la Petite Entente, tout acte unilatéral changeant la situation politique actuelle d'un des États de la Petite Entente à l'égard d'un État tiers, ainsi que tout accord économique comportant des conséquences politiques importantes, exigeront dorénavant le consentement unanime du Conseil de la Petite Entente.

Les traités politiques actuels de chaque État de la Petite Entente avec des États tiers seront progressivement et autant que possible unifiés.

Article 7

Un Conseil Économique des États de la Petite Entente pour la coordination progressive des intérêts économiques des trois États, soit entre eux, soit dans leurs rapports avec des États tiers, est constitué. Il sera composé de spécialistes et d'experts en matières économiques, commerciales et financières et fonctionnera comme organe auxiliaire consultatif du Conseil Permanent dans sa politique générale.

Article 8

Le Conseil Permanent a la faculté d'établir d'autres organes stables ou temporaires, des commissions ou des comités, soit pour une question spéciale, soit pour des groupes de questions déterminées en vue de les étudier et de préparer leurs solutions pour le Conseil Permanent.

Article 9

Un Secrétariat du Conseil Permanent est créé. Son siège est établi toujours pour un an dans la capitale du Président en exercice du Conseil Permanent. Une section du Secrétariat fonctionnera d'une façon permanente au siège de la Société des Nations à Genève.

Article 10

La politique commune du Conseil Permanent doit être inspirée par les principes généraux contenus dans tous les grands actes internationaux de la politique d'après-guerre, comme le sont le Pacte de

la Société des Nations, le Pacte de Paris, l'Acte Général d'Arbitrage, les Conventions éventuelles sur le Désarmement et les Pactes de Locarno. Du reste, rien dans le présent Pacte ne peut être contraire aux principes et aux dispositions du Pacte de la Société des Nations.

Article 11

Les Conventions d'alliance entre la Roumanie et la Tchécoslovaquie, en date du 23 avril 1921, entre la Roumanie et la Yougoslavie, en date du 7 juin 1921, et entre la Tchécoslovaquie et la Yougoslavie, en date du 31 août 1922, qui ont été prolongées le 21 mai 1929 et qui sont complétées par les dispositions du présent Pacte, ainsi que l'Acte Général de Conciliation, d'Arbitrage et de Règlement judiciaire, signé par les trois États de la Petite Entente à Belgrade le 21 mai 1929, sont renouvelés pour une durée illimitée.

Article 12

Le présent Pacte sera ratifié et l'échange des ratifications aura lieu à Praha, au plus tard à l'occasion de la prochaine réunion annuelle obligatoire. Il entrera en vigueur le jour de l'échange des ratifications.

En foi de quoi les Plénipotentiaires susnommés ont signé le présent Pacte.

Fait à Genève, le 16 février 1933, en trois exemplaires identiques.

L.S. DR. EDVARD BENEŠ

L.S. N. TITULESCU

L.S. B. JEVIĆ

(ii) *Extracts from Speech by Dr. Eduard Beneš, Minister for Foreign Affairs, March 1, 1933*¹

Le Pacte d'Organisation de la Petite Entente que nous venons de conclure couronne la politique d'après-guerre que nous avons suivie pendant quatorze ans en Europe Centrale. . . . J'indiquerai les quelques raisons essentielles qui justifient notre façon d'agir: . . .

La dissolution de l'Europe d'aujourd'hui. . . a décidé les États de la Petite Entente, au milieu de cette dissociation générale, qui menace par ses conséquences éventuelles notre existence à tous, à mettre un terme, au moins en ce qui les concerne, à ce processus de désagrégation européenne et à faire le premier pas vers une intégration, vers une synthèse, vers la formation d'une nouvelle communauté internationale. . . .

. . . Un autre motif actuel de notre action commune, c'est que nous

¹ Before the Foreign Affairs Committees of the Czechoslovak Chamber and the Senate. Official text issued by the Ministry for Foreign Affairs.

appréhendons l'issue de la Conférence du Désarmement. Nous désirons la réduction des armements et nous y travaillons; c'est dans l'intérêt de nos trois États. Mais un phénomène funeste que nous constatons à la Conférence nous inspire des craintes, à savoir le fait que la tendance qui y domine n'est nullement de préparer véritablement un désarmement progressif de tous, en même temps que l'on appliquerait graduellement et loyalement le principe de l'égalité dans les armements et celui de la sécurité générale pour tout le monde, mais, comme on le voit trop clairement aujourd'hui, de désarmer autant que possible un groupe d'États, tandis que d'autres s'armeraient de quelque façon ou, tout au moins, conserveraient leurs armements actuels. De tels efforts ne peuvent mener aux résultats souhaités; mais ils pourraient aboutir à l'échec de la Conférence et aux graves conflits diplomatiques qui ne manqueraient pas de s'ensuivre.

Nous n'avons aucun motif de cacher cet état de choses, contre lequel nous nous défendons dans l'intérêt de la paix de l'Europe et pour sauvegarder les intérêts vitaux de nos États. A la Conférence du Désarmement, nous accueillons toute tentative loyale et raisonnable d'établir la sécurité pour tous, ainsi que toute tentative sérieuse d'une réduction réelle et loyale des armements, faite sans arrière-pensée de renverser le régime en vigueur en Europe et de susciter de nouveaux conflits. Et s'il se produisait de pareils conflits, nous nous défendrions de concert en vertu de notre nouveau Pacte.

Le troisième motif actuel de la grave décision que nous avons prise, ce sont nos rapports avec les grandes puissances. . . . Il s'agit en somme d'une des plus graves questions de la politique internationale présente, celle des relations entre petits et grands États de l'Europe actuelle. La signature du Pacte de la Petite Entente est aussi un essai de solution de ce problème si ardu de la politique européenne. . . .

. . . Les États moyens et petits doivent bien entendu comprendre que la voix des grandes puissances est et sera toujours prépondérante en politique internationale, d'abord du simple fait de leur puissance matérielle et spirituelle, ensuite parce que la responsabilité générale de la paix ou de la guerre, de l'ordre ou de l'anarchie en Europe et dans le monde incombe toujours avant tout aux grandes puissances. A cet égard la Tchécoslovaquie et la Petite Entente tout entière rendent et rendront toujours aux grandes puissances sans distinction ce qui leur revient. Mais d'un autre côté les grandes puissances doivent comprendre pour leur part que leurs plans politiques et leurs visées économiques ne sauraient être réalisés dans l'avenir par-dessus la tête des petits États ou en faisant d'eux les instruments d'une

politique. On n'a pas le droit d'oublier que la plupart des grands conflits et des guerres du siècle dernier ont eu pour cause cette politique aujourd'hui impossible. Les derniers temps ont vu naître de nouveau dans les milieux politiques de certaines grandes puissances d'étranges plans de partage et de concession mutuelle de sphères d'influence. Les sphères qu'on songeait ainsi à distribuer étaient surtout les pays d'Europe Centrale. La Tchécoslovaquie et les pays de la Petite Entente s'opposent à une politique de ce genre et se défendent contre elle. . . .

. . . Non moins importante est la constatation des faits suivants:

La Petite Entente a pour voisines trois grandes puissances européennes. Elle n'est et ne sera jamais dirigée contre aucune d'elles, ni surtout contre l'Italie. La Petite Entente, je l'ai expliqué d'abondance, a en elle-même et pour elle-même son propre but. Sa tâche et sa raison d'être sont essentiellement d'être un élément de paix, de modération, d'unification, de pacification. Un exemple caractéristique en témoignera.

La Tchécoslovaquie et la Roumanie, n'étant pas voisines de l'Italie et n'ayant aucun conflit historique avec elle, ont tout intérêt à cultiver avec elle les meilleures relations. La Roumanie lui est attachée par sa parenté de nation latine, la Tchécoslovaquie a toujours eu une haute sympathie pour la belle civilisation italienne, qui est et reste une des grandes contributions apportées à la civilisation humaine en général. Elle n'oublie pas et n'oubliera jamais que l'Italie lui a rendu d'immenses services pendant la guerre, qu'elle a eu et qu'elle a ses amis au sein du fascisme comme en dehors de lui. Peu lui importe que le régime politique soit tel ou tel: elle n'a et n'aura jamais devant les yeux que l'Italie et fera tout pour entretenir avec elle les rapports les plus amicaux, exactement comme la Roumanie. Or maintenant que nous avons unifié nos trois politiques étrangères, comment serait-il possible que les mêmes sentiments n'animent pas la Yougoslavie, comment serait-il possible qu'au moment où un conflit menacerait d'éclater entre la Yougoslavie et l'Italie les autres membres de la Petite Entente ne fassent pas tout pour éviter ce conflit et rétablir des rapports d'amitié identiques entre eux trois et l'Italie?

La Yougoslavie et la Roumanie n'ont pas de différends directs avec l'Allemagne et en somme elles n'en auront sans doute aucun non plus dans l'avenir. Quant à nous, nous n'avons pas eu en quatorze années un seul conflit grave avec l'Allemagne, nous n'avons aucune contestation de frontières avec elle et nous voulons être avec l'Allemagne d'aujourd'hui dans les mêmes termes d'amitié qu'avec

celle de Stresemann. Nos deux amis de la Petite Entente, qui ont en outre de vives relations économiques avec le Reich, ont évidemment tout intérêt à ce que nos rapports avec l'Allemagne, avec laquelle nos relations d'échanges économiques et spirituels sont si actives, soient des meilleurs, et s'ils se troublaient, ils agiraient certainement et de plein droit chez nous et en Allemagne pour que les difficultés soient aplanies et que nous vivions les uns et les autres en bon voisinage avec cette puissance.

Il en va de même pour la Russie soviétique. La Yougoslavie comme la Tchécoslovaquie ont le plus grand intérêt à ce que les relations russo-roumaines s'arrangent au mieux : nous y travaillerons, nous tâcherons de régler à l'amiable nos rapports avec la Russie et de rester toujours en bonne amitié avec elle. Les relations mutuelles de chacun de nous trois avec la Russie se présentent tout de même que nos relations, telles que je viens de les montrer, avec l'Italie et l'Allemagne.

Ce serait aveuglement ou mauvaise foi que de refuser de voir ce sens pacifique de notre Pacte et de ne pas comprendre que le nouveau Pacte, liant définitivement nos trois États l'un à l'autre, est un acte modérateur, pondérateur, synthétisant et pacificateur. . . .

. . . A l'endroit des autres États centro-européens la Petite Entente est animée des mêmes sentiments. Elle insiste sur la clause du Pacte d'organisation d'après laquelle ce Pacte est ouvert aux autres États. Elle n'a ni l'intention ni le pouvoir de forcer l'adhésion de qui que ce soit. Mais elle est consciente d'avoir dans la politique européenne une plus grande responsabilité aujourd'hui qu'auparavant, et c'est surtout pour cette raison qu'elle tient à établir sur une base d'amitié ses relations avec la Hongrie, l'Autriche et la Bulgarie, dont elle a pour premier devoir et pour première volonté de respecter les droits, la souveraineté, l'indépendance et la pleine égalité avec les autres États. . . .

Mais j'affirme tout aussi résolument que ce Pacte a été signé dans l'intention expresse de défendre notre position commune et tous nos droits avec toute notre énergie et toute notre force, de garantir pleinement nos intérêts communs pour l'avenir, de rendre intangible notre territoire et de mettre tout en œuvre, partout et en toutes circonstances, pour le respect des engagements internationaux conformément au droit international. C'est tout cela que signifie notre Pacte de Genève : en ce sens c'est un acte constructif et défensif, mais plein en même temps d'un véritable esprit européen. . . .

. . . Si je dois maintenant tirer des considérations précédentes une conclusion, je puis faire les constatations suivantes :

Même si nous ne redoutons pas pour l'instant en Europe de conflits armés, nous savons que les événements qui nous attendent seront graves. En Extrême-Orient va se déchaîner une guerre qui sera probablement de longue durée, et la crise économique ne s'atténuera pas tant que l'atmosphère politique européenne troublée par les luttes à la Conférence du Désarmement ne se rassérènera pas et tant que la question des dettes de guerre à l'Amérique ne sera pas résolue. Si la Conférence du Désarmement se termine par un échec, de nouvelles difficultés d'ordre diplomatiques apparaîtront, surtout en Europe. Son succès, par contre, ouvrirait toute grande la porte à l'apaisement de l'Europe et du monde

Dans ces circonstances, le Pacte de la Petite Entente renforce considérablement au point de vue politique nos États pour toutes ces éventualités, leur donne de nouvelles garanties contre toutes les difficultés ainsi que la conscience d'une force qui nous aidera à surmonter sûrement dans l'avenir les obstacles. Il nous donne en outre aussi la possibilité de nous rapprocher plus aisément de nos voisins, surtout de préparer plus facilement une collaboration avec les grandes puissances voisines et de niveler les aspérités des contacts. C'est là un grand avantage pour l'avenir. . . .

Notre Pacte, enfin, nous incite impérativement à organiser une nouvelle collaboration économique. Tous, nous avons conscience que la crise économique actuelle modifiera considérablement la situation économique de tous nos États. La Tchécoslovaquie, surtout, doit maintenant étudier avec une grande attention les nouvelles conditions et préparer l'avenir. Nous allons immédiatement demander à toutes nos autorités dans le domaine politique et économique de bien vouloir examiner, en accord avec nous, nos plans, les préparer en vue de la nouvelle organisation économique créée, et de construire graduellement une nouvelle politique commune dans l'ordre économique et commercial en accord avec nos alliés. Nous savons qu'il s'agit là d'un travail de longue haleine, qui durera peut-être des années, mais cette construction doit être édifée et elle le sera. Nous nous efforcerons de faire porter le plus tôt possible des fruits à cette œuvre.

Toutefois, afin d'atteindre tous ces buts, afin de triompher de toutes les difficultés internationales, il faut que nos États se développent heureusement, surtout au point de vue intérieur, il faut qu'ils résistent aux attaques et se consolident encore davantage. En ce temps de chaos international, seul remportera la victoire sur le plan international l'État dont la situation intérieure sera solide et résistante, qui fera pleinement preuve d'une cohésion interne de ses

classes et de ses partis et consolidera cette cohésion. Les adversaires extérieurs mettent leur principal espoir dans la faiblesse interne de tel ou tel État. . . .

Notre travail extérieur n'aurait point de succès si notre situation intérieure manquait de solidité. Toutefois nous avons fait preuve chez nous jusqu'ici de tant de résistance, de force, de patience et d'esprit constructif que je suis convaincu que nous triompherons de nos difficultés encore cette année.

Et si nous résistons victorieusement cette année, qui sera certainement témoin d'événements internationaux importants, nous aurons gagné la dernière bataille pour notre État et nous marcherons de nouveau vers une prospérité, un bien-être et un bonheur plus grands de nos Peuples et de notre République.

VII. POLAND

It was fully anticipated that, with the access to power of the Nazi Party in January, 1933, the relations between Germany and Poland would become exacerbated. In effect the exact reverse occurred. An atmosphere of amicability was established after the first interview between the Chancellor and the Polish Ambassador on May 3,¹ as a result of which, despite the fact that in the Danzig General Election of July the Nazi Party was triumphant, a policy of *rapprochement* was pursued by the new President of the Free City Senate, Herr Rauschning, to such good effect that on August 5 two agreements between Danzig and Poland were signed.

A new Polish Ambassador was appointed to Berlin in October, and good relations were pressed a stage further on the occasion of his first official visit to the Chancellor on November 15,² when agreement was reached on a number of points. To this agreement legal form was given in the Declaration signed between the two countries on January 26, 1934,² which made specific application as between Poland and Germany of the principles contained in the Pact of Paris of August 27, 1928.

One of the most important aspects of this Declaration was the fact that it represented the first of the bi-lateral agreements which the German Government desired to substitute for the multi-lateral policy of the League of Nations after its withdrawal from Geneva in October 1933.

- (i) *Communiqué issued after an interview between Herr Hitler and the Polish Ambassador in Berlin, May 3, 1933.*³

The Chancellor expressed the wish that the two countries should examine and treat matters of common interest dispassionately. This should take place within the framework of existing treaties.

¹ See below.

³ *Frankfurter Zeitung*, May 4, 1933.

² See below, p. 424.

- (ii) *Communiqué issued after the visit of the Polish Ambassador to Herr Hitler, November 15, 1933.*¹

On Wednesday morning the Chancellor, in the presence of the Foreign Minister, received the Polish Ambassador, when he made his first official visit. The conversation on the German-Polish situation resulted in full unanimity between the two Governments in the intention that all questions affecting the two countries should be dealt with by way of direct negotiations, and further that, in the interests of peace in Europe, both should renounce the use of force in their mutual relations.

- (iii) *Declaration concerning the relations between Poland and Germany signed in Berlin, January 26, 1934.*²

The Governments of Poland and Germany consider that the time has arrived to begin a new era in the political relations of Poland and Germany by means of reaching direct understanding between the two States. They have, therefore, decided by the present Declaration to lay the foundation for the future shaping of these relations.

Both Governments proceed from the assumption that the maintenance and stabilization of a permanent peace between their respective countries constitutes an essential condition of a general peace in Europe. They are therefore determined to base their mutual relations on the principles contained in the Pact of Paris of August 27, 1928, and desire to define more precisely the application of these principles in so far as the relations between Poland and Germany are concerned.

At the same time each of the two Governments declares that the international obligations which, up till now, they have undertaken towards third parties do not hinder the peaceful development of their mutual relations, are not in contradiction to the present Declaration, and are not infringed by this Declaration. In addition, both Governments declare that the present Declaration does not concern problems which, in accordance with international law, should be regarded exclusively as internal affairs of either State.

Both Governments declare that it is their intention to reach direct understanding on problems concerning their mutual relations. In the event of disputes arising between them on questions which could not be settled by direct negotiations, both Governments will seek

¹ *Frankfurter Zeitung*, November 17, 1933. Translation prepared by the Information Department.

² Official translation issued by the Polish Embassy in London.

such solutions in each particular case by way of other peaceful means mutually agreed upon, without, however, excluding the possibility of applying, if necessary, such modes of procedure as are provided for such cases by other agreements by which they are mutually bound. In no case, however, shall they have recourse to force in order to settle such questions under dispute.

The guarantee of peace established upon the above principles will facilitate for both Governments the important task of finding, for political, economic, and cultural problems, solutions based upon just and equitable consideration of the interests of both parties.

Both Governments are convinced that the relations between their respective countries will thus fruitfully develop and will lead to the firm establishment of good neighbourly relations, which should have salutary consequences not only for their own countries but also for the other nations of Europe.

The present Declaration shall be ratified and the deposit of ratifications shall be made in Warsaw as soon as possible. The Declaration shall remain in force during a period of ten years to begin on the day of the deposit of ratifications. If neither of the two Governments should give notice of its termination six months before the lapse of this period of time it shall continue to remain in force; after that period, however, each Government will be free to terminate it at any time by giving six months' notice.

Made in two copies, one in the Polish and one in the German language.

Berlin, January 26, 1934.

For the Polish Government: J. LIPSKI.

For the German Government: VON NEURATH.

VIII. U.S.S.R.

*Extracts from Speech by M. Litvinov, People's Commissar for Foreign Affairs, December 29, 1933.*¹

. . . Side by side with the very few countries which have either already substituted military operation for diplomacy or not being ready for this are preparing to do so in the near future, there are countries which have no such immediate aims. They have their own antagonisms with other countries which they do not imagine can be solved otherwise than by war, but these antagonisms have not yet become so acute as to make war an actual present possibility.

¹ Before the Central Executive Committee of the U.S.S.R. Translation published by the Anglo-Russian Parliamentary Committee, London.

Considering, however, that war is inevitable and, on the other hand, not being any too interested in the preservation of general peace, they do not wish to bind themselves and therefore avoid assuming obligations which, in their view, would quite unnecessarily consolidate peace, such as Pacts of Non-Aggression, of the Definition of an Aggressor, et cetera.¹ Possibly, they might even not be averse to a small fight between third States in which they themselves would not be involved, and from which they might obtain some advantage, particularly if the U.S.S.R. suffered thereby.

Finally, there are also such bourgeois States, and a fair number of them, indeed, who are at the present moment interested in the maintenance of peace and are prepared to direct their policy to the defence of such peace. I am not entering into any estimation of the motives of this policy, I merely affirm the fact which is of great value to us.

I have, of course, dealt only with the fundamental groups of countries, the conflicts between whom now occupy the international arena. It is easy to follow this struggle in all international events, at all congresses, conferences, and international organizations. In the League of Nations this struggle is shown up particularly clearly.

One may, however, concede that the tendencies which are interested in the preservation of peace would seem to be gaining the upper hand in the League of Nations, and probably this is the explanation of the deep changes noticeable in the composition of the League. The revision of treaties, disarmament, rearmament, the Four-Power Pact, the reorganization of the League—all these are manifestations and functions of the struggle between the above-mentioned three basic groups of Powers.

This, Comrades, is the complex international situation in which Soviet diplomacy has had to work. The responsibility resting on our diplomacy is great and is becoming ever greater, for all, or nearly all, of the international problems which I have mentioned concern or may touch the interests of our Union. For example, the revision of the treaties.

This question would seem scarcely to concern us, for we did not participate in the drafting of these treaties. We took neither formal nor moral part. Not only did we not approve of them, but we have never concealed our sympathy with those nations to whom injustice was done in these treaties, and, consequently, it is not for us to protest against their revision, but, of course, only if this revision can be brought about by peaceful means on the basis of voluntary agreements, and only if having removed the injustices in the existing

¹ See above, pp. 218–36.

treaties no new and perhaps even greater injustices are perpetrated in the new agreements.

But, actually, draft projects for the 'just' revision of the treaties have been proposed which have in view the satisfaction of the territorial appetites of the countries which suffered under the old treaties at the expense of such countries as, for instance, the Baltic States, and even the U.S.S.R., which had nothing to do with the Versailles Agreement and which perpetrated no injustices towards anybody.

I do not know whether this is a Hottentot or other conception of morals and justice; it is hardly of Aryan origin. But whatever its origin, any attempt to carry out such morals would find against it the might of the U.S.S.R. with its 170,000,000 souls. In any case, in view of the appearance of such projects we are drawn against our will into the problem of the so-called revision of treaties, and this determines to no small extent our attitude to the other above-mentioned international problems, such as rearmament, the Four-Power Pact, et cetera.

The guiding principle of our foreign policy has been put very briefly, but very expressively, by Comrade Stalin: We desire no foreign land, but we shall not surrender a single inch of our own land to any one. Once we do not desire any foreign lands, then we cannot want war. As for our own land, we have every possibility of defending it and of preventing any attempt at its invasion. Our growing armed forces could teach a lesson to any of our near or distant neighbours which would prevent them for decades from again attempting to invade us, but this would be an unproductive waste of our means and energies. It would distract us for a time from our fundamental work of constructing socialism.

We are therefore doing everything possible to defend our territory by peaceful means, even though this may not be a radical means for removing the threat of aggression against us. We consider that even military activities commenced outside the immediate frontiers of our Union may be a menace to us, hence we not only continue but are intensifying our struggle for peace, which has always been and still is the basic problem of our diplomacy. As Comrade Molotov rightly said: This struggle corresponds with the desire of the masses of the people of all countries.

During the last year we have extended the system of Non-Aggression Pacts. Such pacts are now in force between the U.S.S.R. and not only all our neighbours, with the exception of Japan and China, but also with France and Italy. We have made a further step towards the intensification of the significance and effectiveness of the

Non-Aggression Pacts by proposing an exhaustive definition of the idea of aggression itself. This proposal of ours is already contained in agreements with a solid chain of our neighbours from Finland to Afghanistan and with all the three countries of the Little Entente.

The definition of aggression which we have given is generally recognized to be a valuable contribution to the science of international law, and also of international practice; at the same time, it forms an excellent measure for determining the absence or presence in any State of aggressive, annexationist aims. We shall, therefore, continue to struggle for the universal recognition of this definition.

The maintenance of peace cannot depend simply on our efforts, but demands the co-operation of other countries. Endeavouring, therefore, to establish and maintain friendly relations with all countries, we pay special attention to the consolidation of our relations with those countries which, like us, give proof of their sincere endeavour to preserve peace and are ready to oppose those who violate peace. We have never refused and we do not refuse to participate in organized international co-operation aimed at consolidating peace. Not being doctrinaires, we do not refuse to utilize existing or future international organizations and combinations, providing we have or shall have reason to consider that they would serve the purpose of preserving peace.

In the light of all that I have said you will readily understand, Comrades, the significance of the development of our relations with the separate countries.

I shall begin with an event, chronologically the latest in this development, but by its importance at the present moment occupying first place, that is to say, the re-establishment of our diplomatic relations with the great trans-atlantic Republic.¹ During fifteen years this Republic was the only one of the big Powers who persistently refused, not only formal recognition of the Soviet Union, but acknowledgement of its existence. She refused to recognize the fact of the October (November) Revolution and the changes brought about by it. For the U.S.A. there still existed somewhere in space the Provisional Government of Kerensky, with whose agents she continued to have official relations.

The reason for this persistence in ignoring the U.S.S.R. was not that the U.S.A. had more serious disputes with us than had other countries or because she had suffered any more from our revolutionary legislation. No, in essence she simply continued the struggle declared by the whole capitalist world after the October Revolution against

¹ See below, pp. 459-72.

the new Soviet State which had declared as its aim the creation of a Socialist country. This was a struggle against the peaceful coexistence of two social systems. . . .

. . . Having ceased to act as the champion of the whole capitalist world, and having come into contact with us, the U.S.A. at once became convinced that there were no national or State antagonisms between her and our Union, and that outstanding questions could be readily settled. Moreover, being herself interested in the preservation of peace, the U.S.A. has recognized relations with us as a powerful factor in the preservation of this peace and has correspondingly valued co-operation with us in this direction.

We, on our part, also estimate the establishment of relations with America primarily from the standpoint of its significance in the cause of peace. I may remark, in passing, that in re-establishing relations with the U.S.A. we have maintained the fundamental principle underlying our restoration of relations with all capitalist countries. The fact that there have been no sacrifices on either side is, indeed, an important guarantee for further consolidation of our relations with the U.S.A.

The frank exchange of opinions between President Roosevelt and myself has convinced us both of the possibility of the closest relations between our two countries. It is but just to mention the far-sightedness of President Roosevelt who, immediately he came to power and perhaps even before, realized the fruitlessness of any further struggle against us on behalf of capitalism, and envisaged the advantage of relations with us in the interest of the U.S.A. and of world peace.

We consider our relations with the great Turkish Republic as a model of relations with foreign States. For over ten years these relations have improved from year to year and have attained real friendship, rendering complete satisfaction to both sides and instilling in them a feeling of complete security for the section of the frontier between the two countries. The policy of friendship and mutual confidence has provided the basis for fruitful co-operation on the international arena.

Each side in making proposals directed towards the consolidation of peace can be assured beforehand of the support of the other side. We are glad in particular to note the assistance rendered us by Turkey and her Foreign Minister, Tevfik Rüstü Bey, in our proposal for the Definition of an Aggressor.

The dispatch by our Government of a delegation to Turkey, led by our Commissar for War, Comrade Voroshilov, on the occasion of the celebration of the tenth anniversary of the Turkish Republic and

the sincere and enthusiastic reception of this delegation, not only by the head of the Republic and the Government, but also by the Turkish people, has formed another manifestation of that deep friendship about which I have just spoken. I can only express my regret that, owing to my absence in America, I was deprived of the pleasure of participating personally in this manifestation. If all peoples could establish between them similar relations the problem of peace would be solved.

In discussing the gradual considerable improvement of our relations with other countries, we must before all mention France. After the signature of the Pact of Non-Aggression, our relations with France, during the past year, have improved rapidly. This is due partly to the absence of any State political antagonisms between us, and also to our common desire to work actively for the preservation of world peace.

We have the advantage of the continuity of our Government and foreign policy, whilst in France Governments change frequently with a possible change in political orientation; inasmuch as the French people sincerely desire peace, and it is this that unites us with France, we need not fear very much that any change in Government will hinder the successful development of friendly relations.

The recent visit to the U.S.S.R. of M. Herriot, one of the most outstanding and brilliant representatives of the French nation, and one who reflects their peace-loving sentiments, as well as the official visit of representatives of French aviation, led by the Minister for Air, M. Pierre Cot, have given a new impulse to Franco-Soviet *rapprochement*. I certainly hope that all this is but an introductory step towards the further development of Franco-Soviet relations, and I am sure that this development will become all the more rapid as the elements menacing peace accumulate. It is, however, necessary to note that our relations with France still require a certain economic strengthening which, I hope, will be effected by the Trade Agreement about to be concluded.

Our relations with Italy continue to be characterized by their stability. In the course of ten years, there have been no fluctuations, no conflicts, either political or economic. During this period we have had not a few instances of valuable diplomatic co-operation on the part of Italy. We have also utilized Italian technical aid in various branches of our construction, and economic relations between the two countries have developed to our mutual advantage.

My recent visit to Italy, and my reception there, demonstrate the endeavour of both countries to develop their relations in all branches,

and we have come to this conclusion with the head of the Italian Government, M. Mussolini, after an exchange of opinion on questions of current policy and of the best methods of preserving universal peace. Our efforts to maintain and develop simultaneously relations with all the large countries is a not unimportant contribution to the maintenance of general peace.

Unfortunately, this endeavour has not yet been realized, or completely realized, in regard to Great Britain. Our relations with the latter cannot boast either of stability or continuity. There are no objective reasons for this, and I am certain that the British people, as a whole, desire to live in peace and friendship with us. But there are elements there who are still rapt in the sweet dream of a general capitalist struggle against the socialist country—a dream from which the U.S.A. has just shaken free.

They will be unable to destroy or even to shake our socialist country, and, consequently, in view of the well-known practical character and common sense of the British, one cannot help being astonished that amongst them there should still be such Quixotic snipers and partisans. In so far as it depends upon us we are ready, and we should like to have as good relations with Great Britain as with other countries.

We are convinced that sincere and good relations between the Great Powers are not only a necessary condition, but are a guarantee, for general peace. It is expected that a temporary Trade Agreement will be signed shortly which, removing as it will certain misunderstandings, we may hope will make possible better relations between ourselves and Great Britain.

We, of course, attach very great importance to our relations with our nearest neighbours, particularly with the largest of these—with Poland. Here, too, we note very considerable progress. The conclusion of a Pact of Non-Aggression and of the Convention Defining an Aggressor could not but result in a strengthening of our mutual confidence and understanding. The political perturbations which have occurred in Europe during the past year, resulting in our common danger and common anxieties, have created a community of interests between ourselves and Poland.

Even had we ourselves not recognized our common anxieties, they are being indicated to us by the very people who have caused them. Common anxieties and common dangers are perhaps the best bonds between States.

We are particularly delighted at the greatly increased interest

manifested by Polish public opinion towards our Union, and this indicates that wide circles of Polish public opinion are gradually becoming convinced that between the Soviet Union and Poland the closest co-operation is possible and necessary, and that there are no objective causes hindering their development—a fact of which we have long been convinced. It is this conviction which gives rise to the need for cultural ties, and 1933 has witnessed considerable progress in such *rapprochement*.

What I have said regarding the influence of the treaties of Non-Aggression and of the Definition of an Aggressor on our relations with Poland are equally applicable to our relations with the other neighbouring States on our western frontier, namely, Finland, Estonia, Latvia, and Lithuania. These countries are becoming more and more convinced of the absolute sincerity of our aspirations for peace, of our good will towards them, and of our interest in the preservation of their full economic and political independence.

Indeed, we are not only interested in this, we are anxious about it. We follow with the utmost interest not only everything which may augur external danger for them, but also the development of the internal political processes which may lead to the loss or weakening of their independence.

Recently, we concluded with Latvia a new Trade Agreement, and with Estonia we have renewed our last year's Economic Agreement. This, we hope, will further the stability of our relations with these countries.

Our Eastern neighbours, Persia and Afghanistan, have also signed the London Convention for the Definition of an Aggressor; we also have a Non-Aggression Pact with these countries. The visit of the Assistant Commissar for Foreign Affairs, Comrade Karakhan, to Persia, and the very warm welcome given him there, have given us an opportunity once again to confirm our relations with Persia and to affirm their unchangeably friendly character.

The London Convention for the Definition of an Aggressor was also signed by the three countries of the Little Entente, with whom we have not yet established normal relations. The conclusion of this convention with these three countries, in spite of the fact that with one of them, with Roumania, outstanding questions have not been settled, only magnifies its importance.

This convention is undoubtedly an expression of the community of certain interests among its participants, and these interests are their common endeavour for the pacification of Europe. Such a community of interests is an important foundation and opens up possibilities for

further *rapprochement* without which the London Conventions cannot have their full effect.

Our relations with other countries have also been maintained and developed normally. As, for instance, with Sweden, with which economic connexions have been extended, with Denmark, Norway, Austria, and Greece. We very willingly accepted the proposal of Uruguay to bring about the restoration of diplomatic relations which, in principle, had already been decided some years ago. The Ambassador of Uruguay is already on his way to the U.S.S.R., and we are taking steps to send our Ambassador to Uruguay. . . .

. . . It is with great satisfaction that I note that a year ago normal diplomatic relations were resumed between ourselves and the great Chinese Republic. We have accepted the proposal of the Chinese Government to conclude a Pact of Non-Aggression, the draft project of which has been drawn up by us and is now being considered by the Chinese Government. Unfortunately, China still suffers from the attacks of a foreign enemy and also from deep internal discord. Whilst maintaining a strict policy of non-intervention in the internal affairs of China, we follow her struggle for independence and national unity with the greatest sympathy.

In giving a review of our relations with the outside world, I have certainly not lost sight of such big States as Germany and Japan. I devote to them a special place in my review precisely because they occupy a very important place in the foreign policy of the Soviet Union. The latest phase of the development in the relationships between these two countries permits me to hope that they will have no grievance against me for singling them out for special attention.

If I am not mistaken they have even recognized that they are of common race. This has become quite possible since the idea of race has ceased to be regarded as an ethnological and anthropological conception, and has become something in the nature of the designation of a militant organization.

For ten years we had the closest economic and political relations with Germany. We were the only great country which wished to have nothing to do with the Versailles Treaty and its consequences. We renounced the rights and advantages which this treaty reserved for us.

Germany occupied first place in our foreign trade, and Germany, like ourselves, gained considerable advantages from the political and economic relations which were established between us. With these relations as a support, Germany could speak with her former victors in a bolder and more assured manner. She succeeded in freeing

herself from certain of the more burdensome consequences of the Versailles Treaty. She sought closer relations with all the former victors, although she did not always succeed in this.

She concluded the Locarno Treaty with France, a treaty which is nothing other than a Pact of Non-Aggression, and even more than that, since it also provides for outside guarantors. In Locarno, she also concluded with Poland an Arbitration Treaty, which is also nothing but a Pact of Non-Aggression. Germany entered into the League of Nations, accepting the Covenant, which is also a Pact of Non-Aggression, providing, in addition, for sanctions.

We, on our side, as soon as we found it possible, also concluded a Pact of Non-Aggression with France and Poland. These treaties and pacts on both sides should not, and in fact did not, worsen our relations with Germany, which were in no way based on hostility to other countries. Nevertheless, our relations with Germany during the last year have become, it may be said, unrecognizable.

In Germany speeches and declarations were made, and acts took place, which were not only not in consonance with our former relations, but rather gave one cause to think that these relations had been transformed into their very opposite. The causes for this have been as follows: With the change of Government in Germany which took place in 1932, a political leader obtained office and subsequently took the helm who, at the time of our very best relations with Germany, openly opposed these relations and advocated a *rapprochement* with the West for a joint attack upon the Soviet Union.

He organized a new political club where this idea was propagated, and he worked zealously for its realization. On coming to power he made an attempt, true unsuccessful, to realize this idea formally. Subsequently, a *coup d'état* occurred in Germany which brought a new party into power which propagated the most extreme anti-Soviet ideas. The founder of this party developed in detail his conception of the foreign policy of Germany in a literary work.¹

According to this conception, Germany had to reconquer not only everything she had lost by the Versailles Treaty, not only had she to conquer lands where there were German minorities, but by fire and sword she had to carve a way for herself for expansion eastwards, without stopping at the frontiers of the Soviet Union, and subject to her will the peoples of the U.S.S.R.

Another well-known member of this party, a former Russian subject, not only propagated these same ideas, but, at the instruction, and on behalf of his party, entered into relations and maintained close

¹ *Mein Kampf*, by Adolf Hitler.

contact with Russian—for the most part Ukrainian—counter-revolutionary organizations.¹

But perhaps these people, having come to power, having occupied official posts, renounced these conceptions. We understand very well the difference between doctrines and policy in capitalist countries. It sometimes happens that opposition parties, having come to power, endeavour to forget those slogans which they proclaimed formerly in their struggle with their political opponents; but this did not happen in the case of Germany. At any rate, we are not aware of a single responsible declaration which would erase completely the above-mentioned conception.

The literary work in which this conception is preached continues to circulate in Germany without any expurgations in new editions, including one dated 1934. The same conception is also now being discussed openly in the columns of the German press. Only some six months ago, at the London International Conference, a member of the German Cabinet discussed the same idea of the conquest of the East in a memorandum.² True, he was subsequently disavowed, and—for we have no right to do so—we shall no longer look upon this memorandum as an official document; but the disavowal of a Minister does not destroy the fact of such a memorandum being presented, which proves that the ideas discussed in it are still current even in Government circles.

There have been, in addition, not a few anti-Soviet negotiations and proposals with the above ideas at their base entered into by people, not indeed occupying State posts, but, nevertheless, in very responsible positions. . . . All this is what has made our former relations with Germany unrecognizable.

I considered it necessary to say this openly since, on the German side, attempts are often made to ascribe to us the initiative for the change in our relations and to explain it as the result of our displeasure at the present régime which persecutes Communists, and others. We, of course, have our own opinion about the German régime. We, of course, sympathize with the sufferings of our German comrades, but we Marxists are the last who can be reproached with allowing our feelings to dictate our policy.

The whole world knows that we can and do maintain good relations with capitalist States of any régime, including the Fascist. We do not interfere in the internal affairs of Germany, as we do not interfere in that of other countries, and our relations with her are conditioned not by her internal but by her external policy. . . .

¹ Dr. Alfred Rosenberg.

² Dr. Alfred Hugenberg. June 16, 1933.

I am asked by representatives of the German Government what exactly is it that we want from Germany and what she must do to set our doubts at rest regarding her loyalty. To this I generally reply, let her not do what she is doing. Let the German Government look into what her numerous agents and emissaries are doing, and let her tell them that they should not do it.

But we also make the following declaration: We desire to have with Germany, as with other States, the best of relations. Nothing but good can result from such relations, both for the Soviet Union and Germany. We on our side are not striving to expand either on the west, or on the east, or in any other direction. We have no feelings of hostility towards the German people and are not preparing to attack either their territory or their rights, and whatever we may do we shall never encourage other States to make such attacks.

We should be glad if Germany could say the same to us and if there were no facts which could contradict them. We would desire to be assured that such declarations referred, not only to the present moment, but also to that time when she will have stronger forces for realizing those aggressive ideas which her present leaders preached before their rise to power, and which some of them preach even now.

I shall not be mistaken, Comrades, if I assume that you are most of all interested at the present time in regard to our relations with Japan. These relations are arresting the attention, not only of the Soviet Union, but of the whole world, since the policy of Japan is, at the present time, the heaviest storm cloud on the international political horizon. I shall permit myself, therefore, to deal in brief with the development of our relations with Japan.

Since the conclusion of the Peking Agreement, right up to the end of 1931, the best of neighbourly relations existed between Japan and ourselves. There were no conflicts, no serious misunderstandings, and when such arose they were resolved by peaceful diplomatic means. There was no talk about threats from one side or the other. Our attitude to Japan was so trustful (since at that time there was no occasion for mistrust) that we left our Far Eastern frontier almost without any defence. The position began to change when Japan started her military operations in Manchuria. Together with the whole world, we could not but consider these operations as a violation on the part of Japan of numerous obligations which she had voluntarily undertaken in her international treaties.

The Japanese Government, as you will remember, then offered explanations for her operations which explained nothing and con-

vinced nobody. She simultaneously gave us official assurances that her troops would not proceed beyond a definite line in Manchuria itself, and that, in any case, our interests, in particular the interests of the Chinese Eastern Railway, would under no circumstances suffer.

These assurances were then continuously repeated as the Japanese troops advanced farther, right up to the complete occupation of the whole of Manchuria and to the formation of the so-called independent Manchukuo. These actions, as you know, were characterized by the entire external world, including also the League of Nations, to which Japan herself belonged, as a violation of such agreements as the Washington Nine-Power Pact, the League of Nations Covenant, and the Kellogg Pact.

The occupation of Manchuria was, however, also a violation of the Portsmouth Treaty, confirmed by the Peking Agreement, in virtue of which Japan had no right to maintain troops in Manchuria beyond a defined very small number. We refused to participate in international action at that time, firstly because we did not believe in the sincerity and consistency of the States which participated in these actions and, above all, because we did not seek, as we do not seek now, an armed conflict with Japan. We were only trying to obtain from Japan one thing: the observance of our commercial interests in the Chinese Eastern Railway, since we have no other interests in Manchuria.

Despite all the solemn promises and assurances, the representatives of Japan in Manchuria, nevertheless, soon began a direct attack on our interests, endeavouring to render impossible the management of the Chinese Eastern Railway jointly with the Chinese or Manchurians, as provided for in our agreements. They disrupted the work of the line itself, resorted for this purpose to provocative, violent acts, and submitted to the Soviet side of the administration quite unfounded arbitrary claims.

The whole world was surprised at our composure and our long patience, but we had firmly decided not to digress from our policy of peace, refraining from any hostile acts and confining ourselves to protests, which remained, however, without any effect. But the more calm and patient our attitude, the more insolent and provocative became the actions of the Japanese forces in Manchuria. A definite impression was created that they were consciously trying to provoke us to stronger action than protests.

Not desiring to lend ourselves to such provocation, we proposed to Japan, on May 2, 1933, that she should purchase from us the Chinese

Eastern Railway. The entire railway, track, rolling stock, station premises and other accessories of the line were built with the hard-earned money of the peoples of our Union and thus formed their inalienable property. We only desired one thing, that the present value of the line should be returned to its real owners.

It seemed as though Japan accepted our proposal for the purchase of the railway. When, however, we entered upon the concrete negotiations regarding the conditions of sale, it turned out that Japan did not want to buy the railway, but wanted to receive it as a present. She offered a paltry ridiculous sum, naïvely assuming that we wished to sell the railway just as a matter of form, but that in reality we were prepared to give it away for nothing. Such negotiations could not, of course, lead to anything concrete, although we fixed a minimum price for the line.

Instead of verbal arguments, Japan's representatives then . . . began to resort to acts of violence for the removal of our agents from the line and their substitution by their own appointees—Manchurians and Russian Whiteguards—in other words, they resorted to their own peculiar method of seizing the railway. We declared that we would not continue negotiations in a situation where, instead of arguments and commercial bargaining, they put into play the fist, and where the negotiations were being 'assisted' by policemen and criminal elements from the Manchurian Whiteguards.

The negotiations have not been resumed since that time, but the unlawful acts on the railway continue, and the work of the line is being paralysed. Moreover, our declarations and protests against these unlawful acts remain without a reply from Japan, who is vainly trying to convince us that she is in no way involved in these deeds, for which only the 'independent' Manchukuo is ostensibly responsible. We have our own opinion of the 'independence' of Manchukuo. So, by the way, has the whole world. Manchukuo is not yet recognized by a single State, and is considered by everybody exclusively as a puppet of the Japanese Government and the Japanese command in Manchuria.

If any perfectly objective proofs thereof were needed, it was recently provided by Tass, which published the well-known documents, the authenticity of which is not open to doubt. It is clear from these documents that the forcible measures against Soviet employees of the railway, ostensibly taken by the Manchurian courts of justice, were dictated by the Japanese military and administrative agents, who, in this way, hoped to secure the railway for next to nothing.

We, therefore, declared to the Japanese Government that we could

not recognize her references to the Manchurian authorities, nor could we recognize the responsibility of any one but the Japanese Government for the violation of our rights and interests in the Chinese Eastern Railway.

What is in question, however, is not the Chinese Eastern Railway alone. Side by side with the infringement of our rights on the line, the question of war against the Soviet Union for the seizure of the Maritime Provinces and the entire Far Eastern Region is being discussed by statesmen, including official representatives of the Japanese Government, as well as by the Press.

The matter is not merely confined to conversations, but a considerable number of Japanese troops have been concentrated in Manchuria, near our frontier, war material is being brought up, roads and railways are being built. Thus, not only is the violent seizure of our line threatened by Japan, but there is a direct threat to our frontiers.

In such a state of affairs there was nothing left for our Government to do except to start strengthening our frontiers, transferring thereto the necessary forces and taking other military measures. But while we are taking exclusively defensive measures, Japan, as is known, is feverishly preparing for war, which can be no other than aggressive, since no one is threatening the safety of Japan.

There is, of course, no lack of sensible people in Japan, influential people, who perceive all the dangers for Japan of a war against a giant so full of power and energy as the Soviet Union, and who sensibly prefer to pay us the sum of a few hundred million yen, which the Chinese Eastern Railway is really worth, rather than spend milliards of yen on an increased army and naval budget and in military operations, the result of which at best would be doubtful from their own point of view.

There are, however, circles, particularly among the militarists, of a more adventurist frame of mind. Evidently their whole aim in life is war, without regard to what it may bring.

Regarding the attitude of the rest of the world toward a possible clash with Japan, we may say that Japan is morally isolated throughout the world. Her operations against China and her possible operations against us are condemned by the whole civilized world, by that very world whose civilization Japanese militarists would seem to desire to protect against us.

Japan began her military moves two years ago with the idea that it would be sufficient for her to declare that these moves were directed against the Soviet Government in order to win the whole capitalist world to her side and to obtain its blessing. Here Japan miscalculated,

just as the German Nazis miscalculated, by the way. In our argument with Japan, even the capitalist world admits the correctness of our stand and attributes aggressive intentions exclusively to Japan.

The capitalist world does this, of course, not for love of us, but because it realizes that, if it were to approve Japan's operations and political methods and thus strengthen her position, then to-morrow it might find these same methods directed against its own interests. To this it is necessary to add that Japan's feverish war preparations force her to increase her exports, leading to dumping on an unlimited scale, thus arousing against her even those countries which potentially might have been reckoned as her friends.

Our policy is clear. We do not aspire to make use of a favourable situation, we do not aspire to wage war under any circumstances. We say to Japan: 'We do not threaten you, we do not want your land or other territories lying on your side of our frontiers, we want to live in peace with you as we have done up to the present, respecting your rights and interests and asking only that you adopt the same attitude toward our rights and interests. Your first step to prove your peaceful disposition should be a cessation of repressive police measures on the Chinese Eastern Railway, the restoration of our violated rights, and then a calm continuation of the negotiations for a fair commercial price for the railroad.'

The second step in demonstrating Japan's desire for peace should be the signing of the Pact of Non-Aggression which we proposed two years ago. We should like to entertain the hope that Japan will act in accordance with the counsel of her level-headed patriots and not with that of the militarist adventurers.

After my exposition of the relations of the Soviet Union with other countries, it remains for me to say a few words about our relation to an international organization of which the Soviet Union is a member—the Disarmament Conference. This Conference is still formally reckoned among the living. The appellation of corpse, which I applied to it in America, is nevertheless no exaggeration. The question now is whether to sign its death certificate or to try and galvanize the corpse. Such galvanization is possible and the Conference may come to life again, but it will no longer be a disarmament conference, but a conference for additional armaments.

We went to the Conference to take part in the framing of guarantees of peace, of common safety, but the rearmament of any State whatever can in no sense be considered such a guarantee. When they tell us additional armaments for some and disarmament for others, we

fear that only the first part of this formula will be carried out, without the second ; for it is quite clear that they will not succeed in disarming to any extent precisely those nations which are already making practical use of their arms and openly threatening to employ them on a still larger scale in the near future. It will be impossible to demand that only those Governments shall disarm against which such threats are directed.

It will again be possible to talk seriously of disarmament only when the Governments of the world cease to treat Pacts of Non-Aggression like scraps of paper, cynically suggesting that 'The more the better', and when they sincerely give up war as a method of settling international disputes. Then from the dusty archives of the League of Nations will be hauled out the Soviet proposals on disarmament, and the discussions will indeed deal with real disarmament, complete and universal, and not with quotas of armaments.

Comrades, in my report I have tried to acquaint you with the present tendencies in international relations, with the alignment of forces around the pressingly real question 'war or peace?' and to set forth the rôle of the U.S.S.R. in the struggle of these forces. The creatively peaceful character of this rôle is hardly doubted by any one now. But not all other countries have yet declared their position in this struggle and their attitude towards the Soviet Union. A characteristic feature of the situation is that the peaceful intentions of other Governments have come to be estimated according to their attitude towards the Soviet Union. . . .

Whilst agreeing to co-operate with other countries, and bearing in mind that the continuity of our policy provides the highest guarantee for the fulfilment of our international obligations, we must not forget, however, that we are dealing with capitalist States, with Governments which are unstable and subject to frequent change ; we must remember that we are faced with the possibility of the advent to power of groups and people who, in order to vent their class hatred toward our country, are sometimes prepared to sacrifice even their own national State interests.

Being compelled to be on the alert in our defence, we will strengthen and perfect, to an even greater degree than formerly, our Red Army, Red Navy, and Red Air Force, the chief means of defending our security. We must bear in mind that, in the event of the failure of the combined forces of the friends of peace, violation of the peace may be directed against us in the first place.

We shall, therefore, remember that, against our will, a time may arrive when we may have to justify the declaration of Comrade Stalin

that we will not give up a single inch of our territory. In defence of every inch of our Soviet land, be it in the West or in the East, not only the Red military forces but also the Red peoples of our immense Union will participate. That they are led by the Red Party, the Communist Party of the U.S.S.R., and its inspirer and leader, Comrade Stalin, guarantees them the same successes in war as they have had in peace.

IX. THE VATICAN STATE

With the access of the Nazi Party to power in Germany and the establishment in that country of the totalitarian State, involving the abolition of all other political parties in the Reichstag including the Catholic Centre Party, and the claim of the State to the educational authority within the Reich, it became necessary to regulate the relations between the new Germany and the Holy See. For this purpose the Vice-Chancellor, Herr von Papen, proceeded to Rome, and after a period of difficult negotiation signed with the Cardinal Secretary of State a Concordat on July 20, 1933,¹ supplementing and completing the Concordat concluded with Bavaria in 1924, Prussia in 1929, and Baden in 1932. Ratifications were exchanged on September 10, 1933.

(i) *The Concordat between the Holy See and Germany, July 20, 1933.*²

His Holiness the Sovereign Pontiff Pius XI and the President of the German Reich, in their reciprocal desire to consolidate and develop the amicable relations existing between the Holy See and the German Reich, and wishing to regulate the relations between the Catholic Church and the State throughout the territory of the German Reich in a manner that is stable and satisfactory for the two parties, have resolved to conclude a solemn convention which completes the Concordats concluded with individual German States, and assures to the others a uniform treatment for the solution of questions to which it pertains.

To this effect His Holiness Pope Pius XI has named as his plenipotentiary His Eminence Eugenio Cardinal Pacelli, his Secretary of State, and the President of the German Reich has named as his plenipotentiary the Vice-Chancellor of the German Reich, Herr Franz von Papen, who, after having exchanged their respective full powers and having found them in good form, have reached an agreement on the following articles:

Article 1. The German Reich guarantees the freedom of the profession and the public exercise of the Catholic Religion. It recognizes

¹ See below.

² Translation issued by the National Catholic Women's Council, Washington.

the right of the Catholic Church, within the limits of the general laws in force, to regulate and to administer freely her own affairs and to proclaim, in the field of her competence, laws and ordinances binding upon her members.

Article 2. The Concordats concluded with Bavaria (1924), Prussia (1929), and Baden (1932) remain in force, and the rights and liberties of the Catholic Church which they recognize remain unchanged in the territory of these respective States. For the other States, the dispositions contained in the present Concordat are binding integrally. They are obligatory also for the said three States with respect to matters not regulated in their respective Concordats, or which complete the dispositions already established. In the future the conclusion of Concordats with individual States shall be effected only in accord with the Government of the Reich.

Article 3. To perfect the good relations between the Holy See and the German Reich, an Apostolic Nuncio shall reside, as at present, in the Capital of the German Reich and an Ambassador of the German Reich at the Holy See.

Article 4. The Holy See shall enjoy the full liberty of communicating and corresponding with the bishops, the clergy and with all those who belong to the Catholic Church in Germany. The same shall be valid for the bishops and other diocesan authorities in their communications with the faithful with respect to everything pertaining to their pastoral ministry.

The instructions, ordinances, pastoral letters, official diocesan bulletins and all other acts regarding the spiritual government of the faithful, and emanating from ecclesiastical authorities in the field of their competence (Article 1, Paragraph 2), shall be published freely and brought to the knowledge of the faithful in the forms used heretofore.

Article 5. In the exercise of their sacerdotal activity, ecclesiastics shall enjoy the protection of the State in the same manner as the employees of the State. Offences to their persons and to their quality as ecclesiastics, as well as interference in the exercise of their ministry, shall be punished under the terms of the general laws of the State, and protection on the part of the civil authorities when necessary is guaranteed.

Article 6. Clerics and religious shall be exempt from the obligation of assuming public offices and charges which, under the terms of Canon Law, are not compatible with the ecclesiastical and religious state. This disposition has special bearing on the office of magistrate, juror, member of a tax commission or of court of exchequer.

Article 7. For ecclesiastics to assume a post or an office in the State or dependent corporations of public affairs, the *nihil obstat* of the Ordinary of the Diocese shall be required, as also of the head of the legal corporation; the *nihil obstat* shall remain always revocable for important ecclesiastical interests.

Article 8. The revenues which the ecclesiastics shall enjoy by reason of their office are exempt from distraint as are those of the functionaries of Reich and State.

Article 9. Ecclesiastics shall not be required by magistrates or other authorities to give information on things or affairs which have been entrusted to them in the exercise of the care of souls, and which for that reason fall under the secrecy of their spiritual office.

Article 10. The wearing of the ecclesiastical or religious habit by laymen, or by ecclesiastics or religious to whom it has been forbidden by competent ecclesiastical authority, when communicated officially to the State authority, shall be forbidden by law and be subject to the same penalties as abusive use of the military uniform.

Article 11. The present diocesan organization and circumscription of the Catholic Church in Germany shall be preserved. The erection of a new diocese or a new ecclesiastical province, or other changes of diocesan circumscription which may appear to be necessary in the future, shall be submitted, if it is a new formation within the boundaries of a particular State of Germany, to the agreement of the competent government of the State concerned. For the new erections or changes which go beyond the boundaries of a particular State of Germany, an accord shall be reached with the Government of the Reich, upon which will rest the responsibility for securing the consent of the government of the States interested. These rules shall not apply in the case of the changing of ecclesiastical boundaries which are made only in the interest of the local care of souls.

In the case of eventual changes in the internal territorial structure of the German Reich, the Government of the Reich shall enter into communication with the Holy See for the new disposition of diocesan organization and circumscription.

Article 12. Without prejudice to the dispositions of Article 11, the ecclesiastical offices may be freely erected or changed whenever this does not require contributions from State funds. The help of the State in the erection and changing of parishes or like ecclesiastical communities shall follow lines which shall have been agreed to by the bishops of the dioceses, and the Government of the Reich shall prevail upon the State government to preserve the greatest uniformity possible.

Article 13. Parishes and other similar ecclesiastical communities, parochial and diocesan associations, Episcopal Sees, dioceses and chapters, religious Orders and Congregations, as well as institutions, foundations and patrimonial revenues of the Catholic Church, administered by ecclesiastical organs, shall preserve or acquire juridical personality before the civil tribunal in accordance with the general regulations of the law of the State. Those existing shall remain public corporations; to the others there shall be conceded equal rights according to the terms of the general laws in force.

Article 14. The Catholic Church, in principle, has the right to confer freely all the ecclesiastical offices and benefices, without the assistance of the State or the municipality, with the exception of the cases provided for in the accords established in the Concordats to which reference is made in Article 2. With respect to the filling of Episcopal Sees of the two suffragan dioceses of Rottenburg and Mainz, as also of the diocese of Meissen, there shall be applied to them, respectively, the regulation fixed by the See of Freiburg, metropolitan of the ecclesiastical province of Upper Rhine. The same shall hold, in the two said suffragan dioceses, for the appointment of the canons of the Episcopal Chapter and for the regulation of the right of patronage.

In addition, there shall be agreement on the following points:

1. Catholic priests who fill, in Germany, an ecclesiastical charge or who exercise an activity in the care of souls or in education must:

- (a) be German citizens;
- (b) have obtained a diploma which entitles them to attend a German higher institution of learning;
- (c) have at least finished three years of philosophical and theological studies either in a German university of the State or in a German ecclesiastical academy, or in a Pontifical university of Rome.

2. Before releasing Bulls of nomination of archbishops, bishops or coadjutors *cum jure successionis*, or any *praelatus nullius*, the name of the person chosen shall be made known to the *Reichsstatthalter* of the respective State so as to assure that there are no objections to him of a general political character.

Through agreement between Church and State authorities there may be deviations from the stipulations of No. 1 of paragraph 2, letters a, b, and c.

Article 15. The religious Orders and Congregations shall not be subjected, on the part of the State, to any particular restriction

concerning their foundation, their residences, their number and—except for Article 15, paragraph 2—the qualities of their members, their activity in the care of souls, in education, assisting the sick and in works of charity, in the regulation of their affairs and in the administration of their property.

Religious superiors who have their residence in the German Reich must be German citizens. The provincial and general superiors residing outside the territory of the German Reich, even though they are of another nationality, shall have the right to visit their houses situated in Germany.

The Holy See shall see that, with respect to the religious houses existing within the territory of the Reich, the provincial organization shall be regulated in such a manner that, so far as possible, they will not be under the jurisdiction of foreign provincial superiors. Some exceptions may be made, in agreement with the Government of the Reich, especially in cases where because of the small number of houses the erection of a German province is not deemed advisable, or for the special reasons of preserving a provincial organization of historical significance and proven practicability.

Article 16. The bishops, before taking possession of their dioceses, shall place in the hands of the *Reichsstatthalter* of the particular State, or else into the hands of the President of the Reich, an oath of allegiance according to the following formula: 'Before God and on the Holy Gospels, I swear and promise, as is proper to a bishop, allegiance to the German Reich and to the State of . . . I swear and promise to respect, and to cause to be respected by my clergy, the Government established according to the constitutional laws of the State. Concerning myself, in dutiful solicitude for the welfare and interest of the German State, I will try, in the exercise of the holy ministry entrusted to me, to ward off all harm that might threaten it.'

Article 17. Property and other rights of public-legitimate corporate bodies, of institutions, and of foundations and associations of the Catholic Church, over their own properties shall be guaranteed in conformity with the dispositions of the general laws of the State. For no reason may there occur the demolition of an edifice consecrated to worship without previous agreement with competent ecclesiastical authorities.

Article 18. In cases where it is desired to cease State subsidies to the Catholic Church based on a law, a convention or special legal titles, this shall be brought about through an amicable agreement between the Holy See and the Reich before determining the criterion of settlement for such abrogation.

Among the special legal titles to be noted shall be usage based on law.

The abrogation must assure to those having the right to the same a congruous compensation for the cessation of the present subsidy by the State.

Article 19. The Faculties of Catholic Theology in the Universities of the State shall be preserved.

Their relations with the ecclesiastical authority shall be regulated according to the dispositions established in the respective Concordats and the protocol adjoined, and to the terms of the ecclesiastical prescriptions relative to them. The Government of the Reich shall hasten to assure to all these Catholic Faculties of Germany a uniform practice which corresponds to all the dispositions in effect on this subject.

Article 20. Except for other accords in force, the Church has the right to erect, for the training of the clergy, schools of philosophy and theology which depend exclusively on ecclesiastical authority, provided no State subsidy is claimed.

The erection, the direction and the management of seminaries and ecclesiastical boarding schools shall be the concern of the ecclesiastical authorities alone, within the limits of the general laws in force.

Article 21. The teaching of the Catholic religion in the elementary, vocational, secondary and superior schools shall be a regular subject and shall be given in conformity with the principles of the Catholic Church.

In religious education, particular care shall be taken to develop the conscience with respect to duties towards the nation and civic and social duties according to the maxims of faith and Christian moral law, which shall be done likewise in all other subjects.

The subject matter and the choice of texts for religious instruction shall be determined in agreement with superior ecclesiastical authority. The superior ecclesiastical authorities shall be given the opportunity to determine, in accord with the school authorities, whether the pupils are receiving religious instruction conforming to the doctrines and needs of the Church.

Article 22. The designation of teachers of religion shall be governed by mutual agreement between the Bishops and the Government of the particular State.

Teachers whom the Bishops shall have declared, because of their beliefs or moral conduct, to be unsuitable for giving religious instruction shall not be employed for this instruction so long as the obstacle remains.

Article 23. The preservation and new erection of Catholic confessional schools shall remain guaranteed. In all the communities where parents, or those who hold the place of parents, propose it, elementary Catholic schools shall be conducted if it shall appear that, taking into account the number of pupils and the local conditions of school organization, it is possible to operate the school according to the terms of the regulations of the State.

Article 24. In all the elementary Catholic schools there shall be employed only teachers belonging to the Catholic Church, and offering a guarantee corresponding to the particular needs of the Catholic confessional school.

In the field of general professional training of teachers, steps shall be taken to assure training of Catholic teachers corresponding to the particular needs of the Catholic confessional school.

Article 25. The Religious Orders and Congregations shall be authorized to found and to direct private schools, according to the terms of the general law and the conditions fixed by law. These private schools shall rank with the State schools so long as they meet the requirements in effect for the latter with respect to the program of education.

For admission to teaching and for nomination as teachers in the elementary, secondary or superior schools, members of Religious Orders and Congregations must meet the general requirements.

Article 26. Without prejudice to a later and more comprehensive regulation of questions of the marriage law, it is agreed that the religious service may be celebrated before the civil act, not only in the case of the mortal illness of one of the parties which does not permit of delay, but also in case of moral necessity, the existence of which must be recognized by competent episcopal authority. In this case, the pastor is responsible for informing the bureau of the civil state without delay.

Article 27. To the German Army shall be conceded special services for Catholic officers, functionaries and soldiers belonging to the Army and their respective families.

The direction of the spiritual assistance to the Army belongs to the Military Bishop. His ecclesiastical nomination shall be made by the Holy See, after the latter has been in communication with the Government of the Reich in order to name a suitable person.

The ecclesiastical nomination of the military chaplains and other ecclesiastics for the military shall be made by the Military Bishop, after having consulted the competent authority of the Reich. The Military Bishop may nominate only ecclesiastics who have obtained

from their diocesan bishop permission to enter into religious assistance to the army, and the corresponding certificate of acceptability. The ecclesiastics having the care of souls in the Army shall have parochial competencies over the troops and their respective families which are entrusted to them. Precise regulations for the organization of Catholic spiritual assistance in the Army shall be enacted by Apostolic Brief.

The regulation of the position of military chaplains in the sense of functionaries of the State shall be made by the Government of the Reich.

Article 28. In public hospitals, prisons and other similar institutions, the Church shall be admitted, in keeping with the general rules of admission to the establishment, to care for the spiritual needs of souls and to conduct religious ceremonies there. If in these institutions a regular spiritual assistance is established and if, for this reason, ecclesiastics are considered employees of the State or in a general manner as having a public character, this shall be in agreement with superior ecclesiastical authority.

Article 29. Catholics resident in the German Reich and belonging to non-German ethnical minorities, in everything that concerns the use of their mother tongue in services, in religious instruction and in ecclesiastical associations shall have a treatment no less favourable than that which corresponds to the legal and factual status of citizens who originally were German-speaking, within the territory of the corresponding foreign State.

Article 30. On Sundays and Holy Days, in the cathedrals as well as in parish churches, missions and monasteries of the German Reich, there shall be recited at the conclusion of the principal religious service, in conformity with the prescriptions of sacred liturgy, a prayer for the prosperity of the Reich and the German people.

Article 31. Catholic organizations and associations which have exclusively religious, cultural and charitable aims, and which as such depend upon ecclesiastical authority, shall be protected in their institutions and in their activity.

Catholic organizations which, in addition to their religious, cultural and charitable aims have other aims as well, among which are social or professional aims, shall enjoy, without prejudice to their eventual classification into Unions of the State, the protection to which reference is made in Article 31, paragraph 1, provided they give assurance of developing their activity outside any political party.

The list of organizations and associations which fall under the

dispositions of this article shall be established in agreement between the Government of the Reich and the German Hierarchy.

Wherever youth organizations—for sports or other purposes—exist and are supported by the Reich or the particular State, care shall be taken to make it possible for members to fulfil their religious duties on Sundays and Holy Days, and to remove any obligation to do anything incompatible with their convictions and with their religious or moral duties.

Article 32. By reason of the present particular circumstances of Germany, and in consideration of the guarantees created by the dispositions of the present Concordat, legislation which safeguards the rights and liberties of the Catholic Church in the Reich and in the States, the Holy See shall enact dispositions excluding ecclesiastics and religious from membership in political parties and from activity in this respect.

Article 33. Affairs relative to ecclesiastical persons and things which have not been treated in the preceding articles shall be regulated, in the ecclesiastical field, according to the Canon Law in force.

If there should arise in the future some divergence on the interpretation or application of a disposition of the present Concordat, the Holy See and the German Reich shall proceed, with mutual consent, to an amicable solution.

Article 34. The present Concordat, the German and Italian texts of which shall have equal force, shall be ratified and the instruments of the ratifications shall be exchanged as soon as possible. It shall enter into effect the day of the exchange of the said instruments.

In witness whereof the plenipotentiaries have signed the present Concordat.

Done in duplicate original texts at the Vatican City on July 20, 1933.

L.S. EUGENIO CARDINAL PACELLI.

L.S. FRANZ VON PAPEN.

FINAL PROTOCOL

At the moment of proceeding to the signing of the Concordat to-day concluded between the Holy See and the German Reich, the undersigned, duly authorized plenipotentiaries, have reached an agreement on the following points which shall be an integral part of the said Concordat.

To Article 3. The Apostolic Nuncio to the German Reich is, in conformity with the notes exchanged between the Apostolic Nunciature at Berlin and the Minister of Foreign Affairs, under date of

March 11 and 27, 1930, the dean of the diplomatic corps accredited there.

To Article 13. It is agreed that the right of the Church to raise assessments remains guaranteed.

To Article 14, paragraph 2, number 2. It is agreed that if there exist objections of a purely general character, they must be communicated with the least delay possible. If no declaration of this kind is presented within the space of 20 days, the Holy See shall have the right to consider that no objections to the candidate exist. Before the publication of the nomination, the strictest secrecy shall be preserved with respect to the person under consideration.

This paragraph shall not render equivocal the right of veto for the State.

To Article 17. Buildings and lands of the State devoted to the use of the Church shall remain in use as heretofore, with existing contracts remaining in force.

To Article 19, paragraph 2. The fundamental rule was already constituted at the time of the concluding of the Concordat, especially by the Apostolic Constitution *Deus scientiarum Dominus* of May 24, 1931, and by the instruction of July 7, 1932.

To Article 20. The boarding institutions subject to the direction of the Church in the universities and gymnasia shall be recognized, with respect to taxes, as essential institutions of the Church in the proper sense and as constituent parts of diocesan organization.

To Article 24. To the extent that, after the reorganizing of training schools for teachers, private schools shall be in a position to comply with the State requirements for the training of teachers, suitable consideration shall also be given to the admission of the existing institutes of the Religious Orders and Congregations.

To Article 26. There is a grave moral necessity when unsurmountable difficulties, or those which cannot be set aside without excessive inconvenience, hinder the possibility of producing at the time the necessary documents for the celebration of the marriage.

To Article 27, paragraph 1. Catholic officers, officials and soldiers, and their families, do not belong to the local parishes and are not obligated to contribute to these.

Paragraph 4. The Apostolic Brief shall be published after an agreement has been reached with the Government of the Reich.

To Article 28. In urgent cases, entrance shall be permitted to ecclesiastics at any time.

To Article 29. The Government of the Reich having shown its readiness to accept this favourable disposition for the non-German

minorities, the Holy See declares that, in confirmation of the principles always defended concerning the right to the mother tongue in the ministry of souls, in religious instruction and in the life of Catholic organizations, on the occasion of the concluding of future concordatory conventions with other States, it will endeavour to have inserted a like disposition for the protection of the rights of German minorities.

To Article 31, paragraph 4. The principles fixed by Article 31, paragraph 2, hold good also for employees of the State.

To Article 32. It is understood that the Government of the Reich shall take like dispositions concerning political activity in parties with respect to non-Catholic confessions.

The obligation imposed on German priests and religious, under the execution of Article 32, does not signify a limitation of any sort upon the public teaching and explaining (which is their duty) of dogmatic and moral doctrine and of principles of the Church.

At the Vatican City, on July 20, 1933.

L.S. EUGENIO CARDINAL PACELLI.

L.S. FRANZ VON PAPEN.

C. AMERICA

I. UNITED STATES OF AMERICA

1. THE ARMS EMBARGO

On June 17, 1925, there was signed at Geneva, under the auspices of the League of Nations, an International Convention for the suppression of international traffic in arms and ammunition and implements of war. The Convention had been adhered to by a large number of important States, but had practically been abandoned through the failure of the United States to adhere to it. On January 10, 1933, therefore, President Hoover sent a Message to Congress calling their attention to the fact that recent events had emphasized the urgent need of more authority to the Executive in the control of the shipment of arms from the United States for military purposes. He urged the ratification of the 1925 Convention, but, if this were impossible, as he greatly feared, he appealed to the Senate for legislation conferring upon the President authority in his discretion to limit or forbid shipment of arms for military purposes in cases where special undertakings of co-operation could be secured with the principal arms-manufacturing Nations.¹ He enclosed a statement by the Secretary of State supporting his appeal.²

The President's Message was referred to the Senate Committee on Foreign Relations, which, on January 11, reported out a Resolution authorizing the President to place an embargo on the export of arms to nations at war or threatening war. The Senate passed, but then reconsidered, the Resolution, which did not reach the floor of the House of Representatives, but in Committee was amended to limit its application to the American Continent.

The Roosevelt Administration, however, anxiously pressed for Congressional action in the matter, and on March 28, 1933, the Committee on Foreign Relations of the House of Representatives reported back a Resolution empowering the President to make proclamation declaring it to be unlawful 'to export or to sell for export, except under such limitations and exceptions as the President prescribes, any arms or munitions of war from any place in the United States to such country or countries as he may designate until otherwise ordered by the President or by Congress'.

The House adopted this in the form of a Joint Resolution on April 17, and forwarded it for the consideration of the Senate, who referred it to its Committee on Foreign Relations. At the instigation of Senator Hiram Johnson, the Committee reported out the Resolution with the following important amendment:³

'That any prohibition of export or of sale for export proclaimed under this Resolution shall apply impartially to all parties to the dispute or conflict to which it refers.'

The importance of this amendment was emphasized by the fact that it followed almost immediately upon the statement made at the Disarmament Conference at Geneva by Mr. Norman Davis on the authorization of

¹ See below, p. 454.

² See below, p. 455.

³ See below, p. 459.

the President, that the Government of the United States would undertake to refrain from any act which would tend to defeat the collective efforts which the States in consultation might have decided upon against the aggressor.¹

This statement had greatly alarmed the apostles of American isolation, of whom Mr. Hiram Johnson ranked highest, and the amendment adopted by the Committee on Foreign Relations was a direct attempt to wreck this new departure on the part of President Roosevelt. It provides a further example of the manner in which Congress jealously guards its prerogatives, in the matter of the conduct of foreign policy, from inroads made upon them by the White House.

Despite the clear intimation by the Administration that the amended Resolution did not meet with the approval of the President, the Senate adopted it without debate or roll-call on February 28, 1934, and referred it to the House of Representatives for concurrence or for reference to a bicameral Conference. No further progress was made with the Resolution, but, in May, a Bill prohibiting the export of arms to Bolivia and Paraguay was passed by Congress. This was implemented by Presidential Decree on May 28, 1934.

(i) *Message of President Hoover to Congress, regarding the International Traffic in Arms, January 10, 1933.*²

Recent events have emphasized the urgent need of more authority to the Executive in control of the shipment of arms from the United States for military purposes. There can be no doubt that the control of such shipments to areas of prospective and actual international conflict would greatly aid the earnest and unceasing efforts which all nations now make to prevent and lessen the dangers of such conflicts.

However, for one nation alone to engage in such prohibitions while other nations continue to supply arms is a futility. Moreover, it would tend to give advantage to one nation over another by increasing the war potentialities in manufacture and skill of non-co-operating nations.

There is before the Senate an International Convention for the suppression of international trade in arms and ammunition and implements of war signed at Geneva, June 17, 1925, awaiting ratification. This Convention has been adhered to by a large number of the other important nations and is practically stopped through failure of the United States to adhere to it. Its ratification would contribute to the ends being sought by the entire world for the prevention and limitation of war. I earnestly urge that this Convention should be ratified.

If, however, it is impossible, as seems to be the case, for the

¹ See above, p. 217.

² U.S. State Department Press Releases No. 172, January 14, 1933.

Senate to now ratify this treaty, it is urgent that legislation should be passed conferring upon the President authority in his discretion to limit or forbid shipment of arms for military purposes in cases where special undertakings of co-operation can be secured with the principal arms-manufacturing nations.

While such a measure would not accomplish the whole of the purposes which the advanced thought in the world requires, it would at least enable the Executive in special cases to place the United States in line with other nations who are willing to make such sacrifices in the prevention of military conflict.

I, therefore, urge that this Convention should receive ratification of the Senate now, or, alternatively, that legislation to the purpose mentioned should be promptly enacted.

I attach hereto the views of the Secretary of State upon this subject.

HERBERT HOOVER.

(ii) *Memorandum by the Secretary of State, Hon. Henry L. Stimson, to President Hoover, January 6, 1933.*¹

We find to-day a steady growth of popular sentiment among most of the peoples of the earth against the use of warlike means for the solution of international difficulties. Our own people have taken a leading part in this development of opinion, and our Government has borne and is bearing a large share of the initiative in the direction of the renunciation of war, the efforts toward disarmament, the participation in international conciliation, and the establishment of orderly principles of conduct between nations. On the other hand, there are in the world to-day a disturbing number of disputes between peoples and Governments in which force has been threatened or even employed. In our own hemisphere two nations are now engaged in a conflict of arms, although they have avoided a formal declaration of war, and there is at least one other situation which threatens the breach of the declared and established policies of our sister continent. There are in the Old World situations no less distressing. In dealing with these situations, we find that the international traffic in arms often tends to undo the effects of our diplomatic efforts and of the international efforts which are being made to preserve the peace of the world. It is becoming more and more evident that the international traffic in arms must be supervised and controlled by national and international action if these efforts are not to be frustrated.

¹ U.S. State Department Press Releases No. 172, January 14, 1933.

Collaboration between the United States and other nations is necessary if this supervision and control is to be effective.

A first but abortive step toward the international supervision and control of the traffic in arms was made in the negotiation of the Convention for the Control of the Trade in Arms and Ammunition, signed at Saint-Germain-en-Laye and Paris, September 10, 1919, by the representatives of twenty-eight Powers. Although the United States signed the Convention, objection was afterwards made to its ratification on account of certain provisions therein. The opposition of the United States was one of the principal reasons why it was not ratified by a sufficient number of Powers to bring it into force. A new and more important step in the same direction was the negotiation of the Convention for the Suppression of the International Trade in Arms and Ammunition and in Implements of War, signed at Geneva, June 17, 1925. This Convention was drawn up with the express view of amending and amplifying the Convention of Saint-Germain in order to secure the adhesion of the United States, and it contains none of the features to which this Government objected in the former Convention. It provides for the setting up by the High Contracting Parties, each within its own jurisdiction, of a system of export licences—or, alternatively, of special export declarations—to cover each individual shipment of arms and ammunition or implements of war from the territory under the control of each of the parties to the Convention. Its provisions do not contravene any existing law or regulation of the United States, and no legislation would be required to put it into effect if the alternative system of export declarations were adopted. It would ensure full and accurate publicity for the international traffic in arms, and would thereby provide a much needed corrective for such exaggerated rumours in regard to that traffic as have from time to time disturbed public opinion in this country and in other parts of the world. Such publicity would constitute a first but an important step in the direction of effective supervision and control of the international traffic in arms.

Your predecessor, in a Message to the Senate of January 11, 1926, transmitted a certified copy of this Convention to the end that he might receive the advice and consent of the Senate to its ratification. The Senate has not as yet taken action pursuant to this Message. The conflicts of arms, actual or threatened, to which I have referred, have served to emphasize the importance of this Convention and to throw into strong relief the expediency and the wisdom of its ratification by this Government. I feel very strongly that this Government should without further delay make this contribution to the efforts

which are demanded by public opinion in all parts of the world toward the preservation of peace among the nations.

The Convention has now been ratified by fourteen of the signatory Governments, and one other Government not a signatory to the Convention has adhered to it. Some of these ratifications are, however, conditional upon ratification by other specified Powers including, among those which have not ratified, the United States. I have reason to hope that ratification by this Government would probably result within a brief interval in the other ratifications necessary to put the Convention into effect.

Further steps with a view to the more effective supervision and control of the international traffic in arms are now under consideration in the committees of the General Disarmament Conference, which is shortly to reconvene in Geneva. This Government is supporting some of the far-reaching proposals in this field which will be laid before the plenary session of the Conference in the near future. It would strengthen the efforts of this Government and would hearten the advocates of effective reduction and limitation of armament in other nations if this Government could at this time take the preliminary step of ratifying the Arms Traffic Convention of 1925.

In the meantime, while we are awaiting the necessary international action to bring about the effective supervision and control of the international traffic in arms, this Government is hampered in the efforts of its diplomacy by the inadequacy of the authority of the President over the export of arms and munitions of war from the United States. The effect of these efforts would be materially strengthened if that authority could be increased so as to enable us to co-operate with other Governments in dealing with some of the conflicts of arms, actual or threatened, with which the world is now confronted.

The authority of the President over the exportation of arms and munitions of war, in my opinion, should be broadened so as to permit of the control of such exports in certain situations in the furtherance of the efforts that are constantly being made toward world peace and conciliation of international differences. The law as it now stands allows sufficient control by the President over shipments to American countries, and countries wherein we exercise extraterritorial jurisdiction, when conditions of domestic violence exist in such countries. We frequently find that, at the very moment when we are bending every effort toward conciliating differences between friendly states, arms are being shipped from private manufacturers in the United States for use in the threatened or actual conflict.

The Joint Resolution of January 31, 1922, provides:

‘That whenever the President finds that in any American country, or in any country in which the United States exercises extraterritorial jurisdiction, conditions of domestic violence exist, which are or may be promoted by the use of arms or munitions of war procured from the United States, and makes proclamation thereof, it shall be unlawful to export, except under such limitations and exceptions as the President prescribes, any arms or munitions of war from any place in the United States to such country until otherwise ordered by the President or by Congress.’

I respectfully recommend that you commend to the favourable consideration of the Congress legislation which, in addition to the present authority applicable to conditions of domestic violence, should confer upon the President authority in his discretion to limit or forbid, in co-operation with other producing nations, the shipment of arms and munitions of war to any foreign state when, in his judgment, such shipment may promote or encourage the employment of force in the course of a dispute or conflict between nations. Such authority would, of course, be exercised by any chief magistrate of the United States in consonance with the principles of treaty sanctity, with international obligations, and with a due and prudent regard to our national policies. There are times when the hands of the Executive, in negotiations for the orderly settlement of international differences, would be greatly strengthened if he were in a position, in co-operation with other producing nations, to control the shipment of arms. The United States should never, in justice to its own convictions and its own dignity, be placed in such a position that it could not join in preventing the supply of arms or munitions for the furtherance of an international conflict, while exercising its influence and prestige to prevent or bring to an end such a conflict. Although we are more often and especially concerned in banishing the use of force in our own hemisphere, and the principal field of operation of the existing Joint Resolution is within our own hemisphere, I suggest that the proposed legislation should be made to apply to the whole world. The day is gone when the spread of a conflagration is easily confined to any continent or hemisphere. The taking by the United States of this additional step in its domestic policy will tend to give encouragement and momentum to the struggle for world peace and against the use of force, from which arise some of the most critical problems of this unsettled period in international relationships.

(iii) *Joint Resolution adopted by the United States Senate,
February 28, 1934.*¹

Joint Resolution to prohibit the exportation of arms or munitions of war from the United States under certain conditions:

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That, whenever the President finds that in any part of the world conditions exist such that the shipment of arms or munitions of war from countries which produce these commodities may promote or encourage the employment of force in the course of a dispute or conflict between nations, and, after securing the co-operation of such governments as the President deems necessary, he makes proclamation thereof, it shall be unlawful to export, or sell for export, except under such limitations and exceptions as the President prescribes, any arms or munitions of war from any place in the United States to such country or countries as he may designate, until otherwise ordered by the President or by Congress. Provided, however, that any prohibition of export, or sale for export, prohibited under this resolution, shall apply impartially to all the parties in the dispute or conflict to which it refers.

Sec. 2. Whoever exports any arms or munitions of war in violation of Sec. 1 shall, on conviction, be punished by a fine not exceeding \$10,000 or by imprisonment not exceeding two years, or both.

2. RECOGNITION OF THE U.S.S.R.²

After the abdication of the Emperor Nicholas II on March 15, 1917, the United States was the first Government to recognize the provisional régime of Prince Lvov, and in due course a Republican Ambassador was appointed to Washington. When, however, the Kerensky Government was overthrown in the Revolution of November 1917, the United States would not extend its recognition to the new régime, and, when a Soviet Ambassador arrived in Washington uninvited in March 1919, he was not received by the Department of State and was deported from the United States on a charge of subversive propaganda two years later.

Successive Presidents and Secretaries of State, throughout the period of the Republican Administration 1920-32, on numerous occasions made public their reasons for the continued non-recognition of the Soviet régime.³ But, despite this formal attitude, certain contacts were nevertheless established between the two countries. For example the Government of the

¹ *New York Times*, May 28, 1933.

² See *Survey* for 1933, Part V (v).

³ These statements have been published in full in an admirable survey of Soviet-American Relations entitled *The United States and the Soviet Union*, issued by the Russian-American Relations Committee of the American Foundation in New York.

Soviet Union became a Co-signatory of the Pact of Paris with the United States in 1928, and, in recognition of this fact, the then Secretary of State, Mr. Stimson, addressed a Note to the French Ambassador in Moscow reminding the Soviet Government on December 2, 1929, of its obligations under the Pact in the matter of the Sino-Soviet Dispute over the Chinese Eastern Railway.¹

By 1932, however, it became evident that political thought in the United States, particularly in the Democratic Party, was undergoing a change, and, in the summer of that year, Governor Franklin Roosevelt, who had been adopted as the Democratic Presidential candidate, sent an unofficial agent to Europe, in the person of Mr. William C. Bullitt, to make contact with the Soviet Delegation at the Disarmament Conference at Geneva and later to proceed farther with his exploratory activities in Moscow.

Though the recognition of the U.S.S.R. did not figure in the election platform of the Democratic Party, President Roosevelt continued his interest in the question, and on October 10, 1933, wrote to M. Kalinin, President of the All-Union Central Executive Committee, inviting him to send a representative to discuss the questions of interest to both countries with a view to recognition.² M. Kalinin replied on October 17 accepting the invitation and nominating M. Litvinov, the Commissar for Foreign Affairs, to represent the Soviet Union.³

M. Litvinov arrived in Washington on November 7, and, after a fortnight's negotiations, during which time a large number of preliminary difficulties were eliminated, a series of Notes was exchanged between the President and the Foreign Commissar on November 16, by which the United States formally recognized the Government of the Soviet Union, as from that date.⁴ Mr. William C. Bullitt was appointed the first United States Ambassador in Moscow, and M. Alexander Troyanovsky the first Soviet Ambassador in Washington.

(i) *Exchange of Communications between the President of the United States and the President of the All-Union Central Executive Committee.*⁵

(a) *President Roosevelt to M. Kalinin, October 10, 1933.*

My dear Mr. President:

Since the beginning of my administration, I have contemplated the desirability of an effort to end the present abnormal relations between the hundred and twenty-five million people of the United States and the hundred and sixty million people of Russia.

It is most regrettable that these great peoples, between whom a happy tradition of friendship existed for more than a century to their mutual advantage, should now be without a practical method of communicating directly with each other.

The difficulties that have created this anomalous situation are

¹ See *Documents* for 1929, p. 277.

² See below.

³ See below, p. 461.

⁴ See below, pp. 462-72.

⁵ Press release from the White House, October 20, 1933.

serious but not, in my opinion, insoluble; and difficulties between great nations can be removed only by frank, friendly conversations. If you are of similar mind, I should be glad to receive any representatives you may designate to explore with me personally all questions outstanding between our countries.

Participation in such a discussion would, of course, not commit either nation to any future course of action, but would indicate a sincere desire to reach a satisfactory solution of the problems involved. It is my hope that such conversations might result in good to the people of both our countries.

I am, my dear Mr. President,

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

(b) *M. Kalinin to President Roosevelt, October 17, 1933.*

My dear Mr. President:

I have received your message of October 10.

I have always considered most abnormal and regrettable a situation wherein, during the past sixteen years, two great republics—the United States of America and the Union of Soviet Socialist Republics—have lacked the usual methods of communication and have been deprived of the benefits which such communication could give. I am glad to note that you also reached the same conclusion.

There is no doubt that difficulties, present or arising, between two countries, can be solved only when direct relations exist between them; and that, on the other hand, they have no chance for solution in the absence of such relations. I shall take the liberty further to express the opinion that the abnormal situation, to which you correctly refer in your message, has an unfavourable effect not only on the interests of the two States concerned, but also on the general international situation, increasing the element of disquiet, complicating the process of consolidating world peace, and encouraging forces tending to disturb that peace.

In accordance with the above, I gladly accept your proposal to send to the United States a representative of the Soviet Government to discuss with you the questions of interest to our countries. The Soviet Government will be represented by Mr. M. M. Litvinov, People's Commissar for Foreign Affairs, who will come to Washington at a time to be mutually agreed upon.

I am, my dear Mr. President,

Very sincerely yours,

MIKHAIL KALININ.

(ii) *Exchange of Communications between the President of the United States and M. Maxim M. Litvinov, People's Commissar for Foreign Affairs of the Union of Soviet Socialist Republics.*¹

(a) *President Roosevelt to M. Litvinov, November 16, 1933.*

My dear Mr. Litvinov:

I am very happy to inform you that as a result of our conversations the Government of the United States has decided to establish normal diplomatic relations with the Government of the Union of Soviet Socialist Republics and to exchange ambassadors.

I trust that the relations now established between our peoples may forever remain normal and friendly, and that our nations henceforth may co-operate for their mutual benefit and for the preservation of the peace of the world.

I am, my dear Mr. Litvinov,

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

(b) *M. Litvinov to President Roosevelt, November 16, 1933.*

My dear Mr. President:

I am very happy to inform you that the Government of the Union of Soviet Socialist Republics is glad to establish normal diplomatic relations with the Government of the United States and to exchange ambassadors.

I, too, share the hope that the relations now established between our peoples may forever remain normal and friendly, and that our nations henceforth may co-operate for their mutual benefit and for the preservation of the peace of the world.

I am, my dear Mr. President,

Very sincerely yours,

MAXIM LITVINOV,

*People's Commissar for Foreign Affairs,
Union of Soviet Socialist Republics.*

(c) *M. Litvinov to President Roosevelt, November 16, 1933.*

My dear Mr. President:

I have the honour to inform you that, coincident with the establishment of diplomatic relations between our two Governments, it will be the fixed policy of the Government of the Union of Soviet Socialist Republics:

1. To respect scrupulously the indisputable right of the United

¹ Press release from the White House.

States to order its own life within its own jurisdiction in its own way and to refrain from interfering in any manner in the internal affairs of the United States, its territories or possessions.

2. To refrain, and to restrain all persons in Government service and all organizations of the Government or under its direct or indirect control, including organizations in receipt of any financial assistance from it, from any act overt or covert liable in any way whatsoever to injure the tranquillity, prosperity, order, or security of the whole or any part of the United States, its territories or possessions, and, in particular, from any act tending to incite or encourage armed intervention, or any agitation or propaganda having as an aim the violation of the territorial integrity of the United States, its territories or possessions, or the bringing about by force of a change in the political or social order of the whole or any part of the United States, its territories or possessions.

3. Not to permit the formation or residence on its territory of any organization or group—and to prevent the activity on its territory of any organization or group, or of representatives or officials of any organization or group—which makes claim to be the Government of, or makes attempt upon the territorial integrity of, the United States, its territories or possessions; not to form, subsidize, support or permit on its territory military organizations or groups having the aim of armed struggle against the United States, its territories or possessions, and to prevent any recruiting on behalf of such organizations and groups.

4. Not to permit the formation or residence on its territory of any organization or group—and to prevent the activity on its territory of any organization or group, or of representatives or officials of any organization or group—which has as an aim the overthrow or the preparation for the overthrow of, or the bringing about by force of a change in, the political or social order of the whole or any part of the United States, its territories or possessions.

I am, etc.,

MAXIM LITVINOV.

(d) *President Roosevelt to M. Litvinov, November 16, 1933.*

My dear Mr. Litvinov:

I am glad to have received the assurance expressed in your note to me of this date that it will be the fixed policy of the Government of the Union of Soviet Socialist Republics:

[Here follow, *ipsissimis verbis*, the four numbered paragraphs of M. Litvinov's letter preceding.]

It will be the fixed policy of the Executive of the United States, within the limits of the powers conferred by the Constitution and the laws of the United States, to adhere reciprocally to the engagements above expressed.

I am, etc.,

FRANKLIN D. ROOSEVELT.

(e) *President Roosevelt to M. Litvinov, November 16, 1933.*

My dear Mr. Litvinov:

As I have told you in our recent conversations, it is my expectation that, after the establishment of normal relations between our two countries, many Americans will wish to reside temporarily or permanently within the territory of the Union of Soviet Socialist Republics, and I am deeply concerned that they should enjoy in all respects the same freedom of conscience and religious liberty which they enjoy at home.

As you well know, the Government of the United States, since the foundation of the Republic, has always striven to protect its nationals, at home and abroad, in the free exercise of liberty of conscience and religious worship, and from all disability or persecution on account of their religious faith or worship. And I need scarcely point out that the rights enumerated below are those enjoyed in the United States by all citizens and foreign nationals and by American nationals in all the major countries of the world.

The Government of the United States, therefore, will expect that nationals of the United States of America within the territory of the Union of Soviet Socialist Republics will be allowed to conduct, without annoyance or molestation of any kind, religious services and rites of a ceremonial nature, including baptismal, confirmation, communion, marriage and burial rites, in the English language, or in any other language which is customarily used in the practice of the religious faith to which they belong, in churches, houses, or other buildings appropriate for such service, which they will be given the right and opportunity to lease, erect or maintain in convenient situations.

We will expect that nationals of the United States will have the right to collect from their co-religionists, and to receive from abroad, voluntary offerings for religious purposes; that they will be entitled without restriction to impart religious instruction to their children, either singly or in groups, or to have such instruction imparted by persons whom they may employ for such purpose; that they will be given and protected in the right to bury their dead according to

their religious customs in suitable and convenient places established for that purpose, and given the right and opportunity to lease, lay out, occupy and maintain such burial grounds subject to reasonable sanitary laws and regulations.

We will expect that religious groups or congregations composed of nationals of the United States of America in the territory of the Union of Soviet Socialist Republics will be given the right to have their spiritual needs ministered to by clergymen, priests, rabbis or other ecclesiastical functionaries who are nationals of the United States of America, and that such clergymen, priests, rabbis or other ecclesiastical functionaries will be protected from all disability or persecution and will not be denied entry into the territory of the Soviet Union because of their ecclesiastical status.

I am, etc.,

FRANKLIN D. ROOSEVELT.

(f) *M. Litvinov to President Roosevelt, November 16, 1933.*

My dear Mr. President:

In reply to your letter of November 16, 1933, I have the honour to inform you that the Government of the Union of Soviet Socialist Republics, as a fixed policy, accords the nationals of the United States within the territory of the Union of Soviet Socialist Republics the following rights referred to by you:

1. The right to 'free exercise of liberty of conscience and religious worship' and protection 'from all disability or persecution on account of their religious faith or worship'.

This right is supported by the following laws and regulations existing in the various republics of the Union:

Every person may profess any religion or none. All restrictions of rights connected with the profession of any belief whatsoever, or with the non-profession of any belief, are annulled. (Decree of Jan. 23, 1918, Art. 3.)

Within the confines of the Soviet Union it is prohibited to issue any local laws or regulations restricting or limiting freedom of conscience, or establishing privileges or preferential rights of any kind based upon the religious profession of any person. (Decree of Jan. 23, 1918, Art. 2.)

2. The right to 'conduct, without annoyance or molestation of any kind, religious services and rites of a ceremonial nature'.

This right is supported by the following laws:

A free performance of religious rites is guaranteed as long as it

does not interfere with public order and is not accompanied by interference with the rights of citizens of the Soviet Union. Local authorities possess the right in such cases to adopt all necessary measures to preserve public order and safety. (Decree of Jan. 23, 1918, Art. 5.)

Interference with the performance of religious rites, in so far as they do not endanger public order and are not accompanied by infringements on the rights of others, is punishable by compulsory labour for a period up to six months. (Criminal Code, Art. 127.)

3. 'The right and opportunity to lease, erect or maintain in convenient situations' churches, houses or other buildings appropriate for religious purposes.

This right is supported by the following laws and regulations:

Believers belonging to a religious society with the object of making provision for their requirements in the matter of religions may lease under contract, free of charge, from the Sub-District or District Executive Committee or from the Town Soviet, special buildings for the purpose of worship and objects intended exclusively for the purposes of their cult. (Decree of April 8, 1929, Art. 10.)

Furthermore, believers who have formed a religious society or a group of believers may use for religious meetings other buildings which have been placed at their disposal on lease by private persons or by local Soviets and Executive Committees. All rules established for houses of worship are applicable to these buildings. Contracts for the use of such buildings shall be concluded by individual believers who will be held responsible for their execution. In addition, these buildings must comply with the sanitary and technical building regulations. (Decree of April 8, 1929, Art. 10.)

The place of worship and religious property shall be handed over for the use of believers forming a religious society under a contract concluded in the name of the competent District Executive Committee or Town Soviet by the competent administrative department or branch, or directly by the Sub-District Executive Committee. (Decree of April 8, 1929, Art. 15.)

The construction of new places of worship may take place at the desire of religious societies, provided that the usual technical building regulations and the special regulations laid down by the People's Commissariat for Internal Affairs are observed. (Decree of April 8, 1929, Art. 45.)

4. 'The right to collect from their co-religionists . . . voluntary offerings for religious purposes.'

This right is supported by the following law:

Members of groups of believers and religious societies may raise subscriptions among themselves and collect voluntary offerings, both in the place of worship itself and outside it, but only amongst the members of the religious association concerned, and only for purposes connected with the upkeep of the place of worship and the religious property, for the engagement of ministers of religion and for the expenses of their executive body. Any form of forced contribution in aid of religious associations is punishable under the Criminal Code. (Decree of April 8, 1929, Art. 54.)

5. Right to 'impart religious instruction to their children either singly or in groups or to have such instruction imparted by persons whom they may employ for such purpose'.

This right is supported by the following law:

The school is separated from the church. Instruction in religious doctrines is not permitted in any governmental and common schools, nor in private teaching institutions where general subjects are taught. Persons may give or receive religious instruction in a private manner. (Decree of Jan. 23, 1918, Art. 9.)

Furthermore, the Soviet Government is prepared to include in a consular convention, to be negotiated immediately following the establishment of relations between our two countries, provisions in which nationals of the United States shall be granted rights with reference to freedom of conscience and the free exercise of religion, which shall not be less favourable than those enjoyed in the Union of Soviet Socialist Republics by nationals of the nation most favoured in this respect. In this connexion, I have the honour to call to your attention Article 9 of the treaty between Germany and the Union of Soviet Socialist Republics, signed at Moscow, October 12, 1925, which reads as follows:

Nationals of each of the contracting parties . . . shall be entitled to hold religious services in churches, houses or other buildings, rented according to the laws of the country, in their national language or in any other language which is customary in their religion. They shall be entitled to bury their dead in accordance with their religious practice in burial-grounds established and maintained by them with the approval of the competent authorities, so long as they comply with the police regulations of the other party in respect of buildings and public health.

Furthermore, I desire to state that the rights specified in the above paragraphs will be granted to American nationals immediately upon the establishment of relations between our two countries.

Finally, I have the honour to inform you that the Government of the Union of Soviet Socialist Republics, while reserving to itself the right of refusing visas to Americans desiring to enter the Union of Soviet Socialist Republics on personal grounds, does not intend to base such refusals on the fact of such persons having an ecclesiastical status.

I am, etc.,

MAXIM LITVINOV.

(g) *M. Litvinov to President Roosevelt, November 16, 1933.*

My dear Mr. President:

Following our conversations I have the honour to inform you that the Soviet Government is prepared to include in a consular convention, to be negotiated immediately following the establishment of relations between our two countries, provisions in which nationals of the United States shall be granted rights with reference to legal protection which shall not be less favourable than those enjoyed in the Union of Soviet Socialist Republics by nationals of the nation most favoured in this respect. Furthermore, I desire to state that such rights will be granted to American nationals immediately upon the establishment of relations between our two countries.

In this connexion I have the honour to call to your attention Article 11, and the Protocol to Article 11, of the Agreement Concerning Conditions of Residence and Business and Legal Protection in General concluded between Germany and the Union of Soviet Socialist Republics on October 12, 1925.

Article 11

Each of the contracting parties undertakes to adopt the necessary measures to inform the consul of the other party as soon as possible whenever a national of the country which he represents is arrested in his district.

The same procedure shall apply if a prisoner is transferred from one place of detention to another.

Final Protocol

Ad Article 11.

1. The consul shall be notified either by a communication from the person arrested or by the authorities themselves direct. Such communications shall be made within a period not exceeding seven times twenty-four hours, and, in large towns, including capitals of districts, within a period not exceeding three times twenty-four hours.

2. In places of detention of all kinds, requests made by consular representatives to visit nationals of their country under arrest, or to have them visited by their representatives, shall be granted without delay. The consular representative shall not be entitled to require officials of the courts or prisons to withdraw during his interview with the person under arrest.

I am, etc.,

MAXIM LITVINOV.

(h) *President Roosevelt to M. Litvinov, November 16, 1933.*

My dear Mr. Litvinov:

I thank you for your letter of November 16, 1933, informing me that the Soviet Government is prepared to grant to nationals of the United States rights with reference to legal protection not less favourable than those enjoyed in the Union of Soviet Socialist Republics by nationals of the nation most favoured in this respect. I have noted the provisions of the treaty and protocol concluded between Germany and the Union of Soviet Socialist Republics on October 12, 1925.

I am glad that nationals of the United States will enjoy the protection afforded by these instruments immediately upon the establishment of relations between our countries, and I am fully prepared to negotiate a consular convention covering these subjects as soon as practicable. Let me add that American diplomatic and consular officers in the Soviet Union will be zealous in guarding the rights of American nationals, particularly the right to a fair, public and speedy trial and the right to be represented by counsel of their choice. We shall expect that the nearest American diplomatic or consular officer shall be notified immediately of any arrest or detention of an American national, and that he shall promptly be afforded the opportunity to communicate and converse with such national.

I am, etc.,

FRANKLIN D. ROOSEVELT.

Memorandum

In reply to a question of the President in regard to prosecutions for economic espionage, Mr. Litvinov gave the following explanation:

The widespread opinion that the dissemination of economic information from the Union of Soviet Socialist Republics is allowed only in so far as this information has been published in newspapers or magazines, is erroneous. The right to obtain economic information is limited in the Union of Soviet Socialist Republics, as in

other countries, only in the case of business and production secrets and in the case of the employment of forbidden methods (bribery, theft, fraud, etc.) to obtain such information. The category of business and production secrets naturally includes the official economic plans, in so far as they have not been made public, but not individual reports concerning the production conditions and the general conditions of individual enterprises.

The Union of Soviet Socialist Republics has also no reason to complicate or hinder the critical examination of its economic organization. It naturally follows from this that every one has the right to talk about economic matters or to receive information about such matters in the Union, in so far as the information for which he has asked or which has been imparted to him is not such as may not, on the basis of special regulations issued by responsible officials or by the appropriate State enterprises, be made known to outsiders. (This principle applies primarily to information concerning economic trends and tendencies.)

(i) *M. Litvinov to President Roosevelt, November 16, 1933.*

My dear Mr. President:

Following our conversations I have the honour to inform you that the Government of the Union of Soviet Socialist Republics agrees that, preparatory to a final settlement of the claims and counter-claims between the Governments of the Union of Soviet Socialist Republics and the United States of America and the claims of their nationals, the Government of the Union of Soviet Socialist Republics will not take any steps to enforce any decisions of courts or initiate any new litigations for the amounts admitted to be due or that may be found to be due to it, as the successor of prior governments of Russia, or otherwise, from American nationals, including corporations, companies, partnerships, or associations, and also the claim against the United States of the Russian Volunteer Fleet, now in litigation in the United States Court of Claims, and will not object to such amounts being assigned and does hereby release and assign all such amounts to the Government of the United States, the Government of the Union of Soviet Socialist Republics to be duly notified in each case of any amount realized by the Government of the United States from such release and assignment.

The Government of the Union of Soviet Socialist Republics further agrees, preparatory to the settlement referred to above, not to make any claim with respect to:

(a) judgments rendered or that may be rendered by American

courts in so far as they relate to property, or rights, or interests therein, in which the Union of Soviet Socialist Republics or its nationals may have had or may claim to have an interest; or,

(b) acts done or settlements made by or with the Government of the United States, or public officials in the United States, or its nationals, relating to property, credits, or obligations of any government of Russia or nationals thereof.

I am, etc.,

MAXIM LITVINOV.

(j) *President Roosevelt to M. Litvinov, November 16, 1933.*

My dear Mr. Litvinov:

I am happy to acknowledge the receipt of your letter of November 16, 1933, in which you state that:

[Here follow, *ipsissimis verbis*, the agreements as stated in M. Litvinov's letter preceding.]

I am glad to have these undertakings by your Government, and I shall be pleased to notify your Government in each case of any amount realized by the Government of the United States from the release and assignment to it of the amounts admitted to be due, or that may be found to be due, to the Government of the Union of Soviet Socialist Republics, and of the amount that may be found to be due on the claim of the Russian Volunteer Fleet.

I am, etc.,

FRANKLIN D. ROOSEVELT.

(k) *M. Litvinov to President Roosevelt, November 16, 1933.*

My dear Mr. President:

I have the honour to inform you that, following our conversations and following my examination of certain documents of the years 1918 to 1921 relating to the attitude of the American Government toward the expedition into Siberia, the operations there of foreign military forces and the inviolability of the territory of the Union of Soviet Socialist Republics, the Government of the Union of Soviet Socialist Republics agrees that it will waive any and all claims of whatsoever character arising out of activities of military forces of the United States in Siberia, or assistance to military forces in Siberia subsequent to January 1, 1918, and that such claims shall be regarded as finally settled and disposed of by this agreement.

I am, etc.,

MAXIM LITVINOV.

(1) *Joint Statement by President Roosevelt and M. Litvinov, November 16, 1933.*

In addition to the agreements which we have signed to-day, there has taken place an exchange of views with regard to methods of settling all outstanding questions of indebtedness and claims that permits us to hope for a speedy and satisfactory solution of these questions which both our Governments desire to have out of the way as soon as possible.

Mr. Litvinov will remain in Washington for several days for further discussions.

(3) EXTRACTS FROM SPEECH BY PRESIDENT ROOSEVELT,
DECEMBER 28, 1933¹

'Comprehension must be the soil in which shall grow all the fruits of friendship.' These words, used by President Wilson in the Mobile speech in 1913, can well serve as a statement of policy by the Government of the United States. That policy applies equally to a comprehension of our internal problems and our international relations. . . .

In that speech in Mobile, President Wilson first enunciated the definite statement 'that the United States will never again seek one additional foot of territory by conquest'. The United States accepted that declaration of policy.

President Wilson went further, pointing out with special reference to our Latin American neighbours that material interests must never be made superior to human liberty.

Nevertheless, and largely as a result of the convulsion of the World War and its after effects, the complete fruition of that policy of unselfishness has not in every case been obtained. And in this we, all of us, have to share the responsibility.

I do not hesitate to say that, if I had been engaged in a political campaign as a citizen of some other American republic, I might have been strongly tempted to play upon the fears of my compatriots of that republic by charging the United States of North America with some form of imperialistic desire for selfish aggrandizement.

As a citizen of some other republic I might have found it difficult to believe fully in the altruism of the richest American republic. In particular, as a citizen of some other republic, I might have found it hard to approve of the occupation of the territory of other republics, even as a temporary measure.

It therefore has seemed clear to me as President that the time has

¹ At a dinner at the Woodrow Wilson Foundation. *New York Times*, December 29, 1933.

come to supplement and to implement the declaration of President Wilson by the further declaration that the definite policy of the United States from now on is one opposed to armed intervention.

The maintenance of constitutional government in other nations is not a sacred obligation devolving upon the United States alone. The maintenance of law and the orderly processes of government in this hemisphere is the concern of each individual nation within its own borders first of all.

It is only if and when the failure of orderly processes affects the other nations of the continent that it becomes their concern; and the point to stress is that in such event it becomes the joint concern of a whole continent in which we are all neighbours.

It is the comprehension of that doctrine—a comprehension not by the leaders alone, but by the peoples of all the American republics—that has made the conference now concluding its labours in Montevideo such a fine success.

A better state of feeling among the neighbour nations of North and Central and South America exists to-day than at any time within a generation. For participation in the bringing about of that result we can feel proud that so much credit belongs to the Secretary of State of the United States, Cordell Hull.

In the wider field a chain of events has led, of late, away from, rather than toward, the ultimate objectives of Woodrow Wilson.

The superficial observer charges this failure to the growth of the spirit of nationalism. But in so doing he suggests a nationalism in its narrower, restrictive sense, and a nationalism of that kind supported by the overwhelming masses of the people themselves in each nation. . . .

Nevertheless, through the League directly, or through its guiding motives indirectly, the States of the world have groped forward to find something better than the old way of composing their differences.

The League has provided a common meeting-place; it has provided machinery which serves for international discussion; and in very many practical instances it has helped labour and health and commerce and education, and last, but not least, the actual settlement of many disputes great and small among nations great and small.

To-day the United States is co-operating more openly in the fuller utilization of the League of Nations machinery than ever before.

I believe that I express the views of my countrymen when I state that the old policies, alliances, combinations and balances of power have proved themselves inadequate for the preservation of world peace.

The League of Nations, encouraging as it does the extension of non-aggression pacts, of reduction of armament agreements, is a prop in the world peace structure.

We are not members and we do not contemplate membership. We are giving co-operation to the League in every matter which is not primarily political, and in every matter which obviously represents the views and the good of the peoples of the world as distinguished from the views and the good of political leaders, of privileged classes, or of imperialistic aims.

(4) EXTRACT FROM PRESIDENTIAL MESSAGE TO CONGRESS,
JANUARY 3, 1934¹

I cannot, unfortunately, present to you a picture of complete optimism regarding world affairs.

The delegation representing the United States has worked in close co-operation with the other American republics assembled at Montevideo to make that conference an outstanding success. We have, I hope, made it clear to our neighbours that we seek with them future avoidance of territorial expansion and of interference by one nation in the internal affairs of another. Furthermore, all of us are seeking the restoration of commerce in ways which will preclude the building up of large favourable trade balances by any one nation at the expense of trade debits on the part of other nations.

In other parts of the world, however, fear of immediate or future aggression and, with this, the spending of vast sums on armaments and the continued building up of defensive trade barriers, prevents any great progress in peace or trade agreements. I have made it clear that the United States cannot take part in political arrangements in Europe, but that we stand ready to co-operate at any time in practicable measures on a world basis looking to immediate reduction of armaments and the lowering of the barriers against commerce.

I expect to report to you later in regard to debts owed the Government and people of this country by the Governments and peoples of other countries. Several nations, acknowledging the debt, have paid in small part; other nations have failed to pay. One nation—Finland—has paid the instalments due this country in full.

II. PAN-AMERICA²

The inter-American movement for the condemnation of war and the outlawry of 'aggression', which had found expression in the instruments concluded at the Pan-American Conference on Conciliation and Arbitration

¹ *New York Times*, January 4, 1934.

² See *Survey* for 1933, Part VI.

which sat at Washington from December 10, 1928, to January 5, 1929,¹ was carried still farther during the year 1933.

The first initiative was taken by Argentina, whose Minister for Foreign Affairs, Dr. Carlos Saavedra Lamas, drew up a draft convention of non-aggression and conciliation, which became known as the South American Anti-War Treaty, and which was signed on October 10, 1923,² by representatives of Argentina, Brazil, Chile, Mexico, Paraguay, and Uruguay. Article 16 of this document invited participation by any non-signatory State. On March 14, 1934, Italy's adherence was notified and on April 27 that of U.S.A., Bolivia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama, and Venezuela.

The Treaty was a topic of discussion at the Seventh Pan-American Conference which met in Montevideo (Uruguay) in December 1933, during which such American States as had not adhered were urged to do so.

The Conference adopted among other things an additional Protocol³ to the General Convention of Inter-American Conciliation signed in 1929,⁴ a Convention on the Rights and Duties of States,⁵ and a series of Resolutions covering economic, commercial, and tariff policies,⁶ import quotas,⁷ import prohibitions,⁷ and multilateral commercial treaties.⁸

1. THE ANTI-WAR PACT OF NON-AGGRESSION AND CONCILIATION, OCTOBER 10, 1933⁹

The States designated below, in the desire to contribute to the consolidation of peace, and in order to express their adherence to the efforts that all civilized nations have made to further the spirit of universal harmony;

To the end of condemning wars of aggression and territorial acquisitions secured by means of armed conquest and of making them impossible, of establishing their invalidity through the positive provisions of this Treaty, and in order to replace them with pacific solutions based upon lofty concepts of justice and equity;

Being convinced that one of the most effective means of insuring the moral and material benefits the world derives from peace is through the organization of a permanent system of conciliation of international disputes, to be applied immediately upon a violation of the hereinafter-mentioned principles;

Have decided to record, in conventional form, these aims of

¹ See *Documents* for 1929, pp. 249-59.

² See below.

³ See below, p. 480.

⁴ See *Documents* for 1929, pp. 250-4.

⁵ See below, p. 482.

⁶ See below, p. 487.

⁷ See below, p. 490.

⁸ See below, p. 491. In all the Conference approved ninety-five resolutions and adopted six conventions and a protocol. The other convention not printed below dealt with nationality, the nationality of women, extradition, political asylum, and the teaching of history.

⁹ Translation published by the Pan-American Union.

non-aggression and concord, through the conclusion of the present Treaty, to which end they have appointed as their Plenipotentiaries:

Who, after having communicated their respective full powers, which were found in good and due form, have agreed on the following provisions:

Article 1

The High Contracting Parties solemnly declare that they condemn wars of aggression in their mutual relations or those with other States, and that the settlement of disputes and controversies shall be effected only by the pacific means established by International Law.

Article 2

They declare that territorial questions between the High Contracting Parties must not be settled by resort to violence and that they shall recognize no territorial arrangement not obtained through pacific means, nor the validity of an occupation or acquisition of territory brought about by armed force.

Article 3

In case any of the Parties to the dispute fails to comply with the obligations set forth in the foregoing articles, the Contracting States undertake to make every effort in their power for the maintenance of peace. To that end, and in their character of neutrals, they shall adopt a common and concerted policy; they shall exercise the political, juridical, or economic means authorized by International Law; they shall bring the influence of public opinion to bear; but in no case shall they resort to intervention either diplomatic or armed. The attitude that may be incumbent upon them under other collective treaties, to which the said States are signatories, is excluded from the foregoing provisions.

Article 4

The High Contracting Parties, with respect to all controversies which have not been settled through diplomatic channels within a reasonable period, obligate themselves to submit to the conciliatory procedure created by this Treaty, the disputes specifically mentioned, and any others that may arise in their reciprocal relations, without any further limitations than those recited in the following Article.

Article 5

The High Contracting Parties and the States which may hereafter accede to this Treaty, may not formulate at the moment of signing,

ratifying, or adhering thereto, limitations to the procedure of conciliation other than those indicated below:

- (a) Controversies for the settlement of which pacific treaties, conventions, covenants, or agreements, of any nature, have been concluded. These shall in no case be deemed superseded by this Treaty; on the contrary, they shall be considered as supplemented thereby in so far as they are directed to ensure peace. Questions or issues settled by previous treaties are also included in the exception.
- (b) Disputes that the Parties prefer to settle by direct negotiation or through submission to an arbitral or judicial procedure by mutual consent.
- (c) Issues that International Law leaves to the exclusive domestic jurisdiction of each State, under its constitutional system. On this ground the Parties may object to their being submitted to the procedure of conciliation before the national or local jurisdiction has rendered a final decision. Cases of manifest denial of justice or delay in the judicial proceedings are excepted, and should they arise, the procedure of conciliation shall be started not later than within the year.
- (d) Questions affecting constitutional provisions of the Parties to the controversy. In case of doubt, each Party shall request its respective Tribunal or Supreme Court, whenever vested with authority therefor, to render a reasoned opinion on the matter.

At any time, and in the manner provided for in Article 15, any High Contracting Party may communicate an instrument stating that it has partially or totally dropped the limitations established by them in the procedure of conciliation.

The Contracting Parties shall deem themselves bound to each other in connexion with the limitations made by any of them, only to the extent of the exceptions recorded in this Treaty.

Article 6

Should there be no Permanent Commission of Conciliation, or any other international body charged with such a mission under previous treaties in force, the High Contracting Parties undertake to submit their controversies to examination and inquiry by a Commission of Conciliation to be organized in the manner hereinafter set forth, except in case of an agreement to the contrary entered into by the Parties in each instance:

The Commission of Conciliation shall consist of five members. Each Party to the controversy shall appoint one member, who may be

chosen by it from among its own nationals. The three remaining members shall be appointed by agreement of the Parties from among nationals of third States. The latter must be of different nationalities, and shall not have their habitual residence in the territory of the Parties concerned, nor be in the service of either of them. The Parties shall select the President of the Commission of Conciliation from among these three members.

Should the Parties be unable to agree, they may request a third State or any other existing international body to make those designations. Should the nominees so designated be objected to by the Parties, or by any of them, each Party will submit a list containing as many names as vacancies are to be filled, and the names of those to sit on the Commission of Conciliation shall be determined by lot.

Article 7

Those Tribunals or Supreme Courts of Justice vested by the domestic law of each State with authority to interpret, as a Court of sole or final recourse and in matters within their respective jurisdiction, the Constitution, the treaties or the general principles of the Law of Nations, may be preferred for designation by the High Contracting Parties to discharge the duties entrusted to the Commission of Conciliation established in this Treaty. In this event, the Tribunal or Court may be constituted by the whole bench or may appoint some of its members to act independently or in Mixed Commissions organized with members of other Courts or Tribunals, as may be agreed by the Parties to the controversy.

Article 8

The Commission of Conciliation shall establish its own Rules of Procedure. These shall provide, in all cases, for hearing both sides.

The Parties to the controversy may furnish, and the Commission may request from them, all the antecedents and data necessary. The Parties may be represented by agents, with the assistance of counsel or experts, and may also submit every kind of evidence.

Article 9

The proceedings and discussions of the Commission of Conciliation shall not be made public unless there is a decision to that effect, assented to by the Parties. In the absence of any provision to the contrary, the Commission shall adopt its decisions by a majority vote; but it may not pass judgment upon the substance of the issue unless all its members are in attendance.

Article 10

It is the duty of the Commission to procure a conciliatory settlement of the disputes submitted to it. After impartial consideration of the questions involved in the dispute, it shall set forth in a report the outcome of its work and shall submit to the Parties proposals for a settlement on the basis of a just and equitable solution. The report of the Commission shall, in no case, be in the nature of a final decision or arbitral award, either in regard to the exposition or interpretation of facts or in connexion with juridical considerations or findings.

Article 11

The Commission of Conciliation shall submit its report within a year to be reckoned from the day of its first sitting, unless the Parties decide, by common accord, to shorten or extend that term.

Once started, the procedure of conciliation may only be interrupted by a direct settlement between the Parties, or by their later decision to submit, by common accord, the dispute to arbitration or to an international court.

Article 12

On communicating its report to the Parties, the Commission of Conciliation shall fix a period of time, which shall not exceed six months, within which the Parties shall decide as to the bases of settlement it has proposed. Once this period of time has expired the Commission shall set forth in a final act the decision of the Parties.

Should the period of time lapse without the Parties having accepted the settlement, nor adopted by common accord another friendly solution, the Parties to the controversy shall regain their freedom of action to proceed as they may see fit within the limitations set forth in Articles 1 and 2 of this Treaty.

Article 13

From the outset of the procedure of conciliation until the expiration of the term set by the Commission for the Parties to make a decision, they shall abstain from any measure which may prejudice the carrying out of the settlement to be proposed by the Commission, and, in general, from every act capable of aggravating or prolonging the controversy.

Article 14

During the procedure of conciliation the members of the Commission shall receive honoraria in the amount to be agreed upon by the

Parties to the controversy. Each Party shall bear its own expenses and a moiety of the joint expenses or honoraria.

Article 15

The present Treaty shall be ratified by the High Contracting Parties, as soon as possible, in conformity with their respective constitutional procedures.

The original Treaty and the instruments of ratification shall be deposited in the Ministry of Foreign Affairs of the Argentine Republic, which shall give notice of the ratifications to the other Signatory States. The Treaty shall enter into effect for the High Contracting Parties 30 days after the deposit of their respective ratifications, in the order in which they deposit their ratifications.

Article 16

The present Treaty shall remain open to the adherence of all States. Adherence shall be effected by the deposit of the appropriate instrument in the Ministry of Foreign Affairs of the Argentine Republic, which shall give notice thereof to the other Contracting States.

Article 17

The present Treaty is concluded for an indefinite period, but it may be denounced by means of one year's previous notice, at the expiration of which it shall cease to be in force as regards the Party denouncing the same, but shall remain in force as regards the other signatories. Notice of the denunciation shall be addressed to the Ministry of Foreign Affairs of the Argentine Republic, which will transmit it to the other interested States.

In witness whereof, the respective Plenipotentiaries¹ have signed the present Treaty in one copy, in the Spanish and Portuguese languages and affixed their seals thereto.

Done at Rio de Janeiro on October 10, 1933.

2. THE SEVENTH PAN-AMERICAN CONFERENCE, MONTEVIDEO, DECEMBER 3-26, 1933

(i) *Additional Protocol to the General Convention of Inter-American Conciliation, December 26, 1933*²

The High Contracting Parties of the General Convention of Inter-American Conciliation of January 5, 1929, convinced of the undeniable

¹ Signed by Argentina, Brazil, Chile, Mexico, Paraguay, and Uruguay.

² Final Act of the Seventh Pan-American Conference.

advantage of giving a permanent character to the Commissions of Investigation and Conciliation to which Article 2 of the said Convention refers, agree to add to the aforementioned Convention the following and additional protocol.

Article 1

Each country signatory to the Treaty signed in Santiago, Chile, May 3, 1923, shall name, as soon as possible, by means of a bilateral agreement which shall be recorded in a simple exchange of notes with each one of the other signatories of the aforementioned Treaty, those members of the various commissions provided for in Article 4 of the said Treaty. The commissions so named shall have a permanent character and shall be called Commissions of Investigation and Conciliation.

Article 2

Any of the Contracting Parties may replace the members which have been designated, whether they be nationals or foreigners; but, at the same time, the substitute shall be named. In case the substitution is not made, the replacement shall not be effective.

Article 3

The commissions organized in fulfilment of Article 3 of the aforementioned Treaty of Santiago, Chile, shall be called Permanent Diplomatic Commissions of Investigation and Conciliation.

Article 4

To secure the immediate organization of the Commissions mentioned in the first Article hereof, the High Contracting Parties undertake to notify the Pan-American Union at the time of the deposit of the ratification of the present additional Protocol in the Ministry of Foreign Relations of the Republic of Chile, of the names of the two members whose designation they are empowered to make by Article 4 of the Convention at Santiago, Chile, and the said members, so named, shall constitute the members of the Commissions which are to be organized with bilateral character in accordance with this protocol.

Article 5

It shall be left to the Governing Board of the Pan-American Union to initiate measures for bringing about the nomination of the fifth member of each Commission of Investigation and Conciliation, in accordance with the stipulation established in Article 4 of the Convention at Santiago, Chile.

Article 6

In view of the character which this Protocol has as an addition to the Convention of Conciliation of Washington, of January 5, 1929, the provision of Article 16 of the said Convention shall be applied thereto.

In witness whereof, the Plenipotentiaries hereinafter indicated have set their hands and their seals to this Additional Protocol in English, Spanish, Portuguese, and French, in the city of Montevideo, Republic of Uruguay, this twenty-sixth day of the month of December in the year nineteen hundred and thirty-three.

(ii) *Convention on Rights and Duties of States, December 26, 1933.*¹

The Governments represented in the Seventh International Conference of American States,

Wishing to conclude a Convention on Rights and Duties of States, have appointed the following Plenipotentiaries:

Who, after having exhibited their full powers, which were found to be in good and due order, have agreed upon the following.

Article 1

The State as a person of international law should possess the following qualifications: (a) a permanent population; (b) a defined territory; (c) government; and (d) capacity to enter into relations with the other states.

Article 2

The federal State shall constitute a sole person in the eyes of international law.

Article 3

The political existence of the State is independent of recognition by the other States. Even before recognition the State has the right to defend its integrity and independence, to provide for its conservation and prosperity, and consequently to organize itself as it sees fit, to legislate upon its interests, administer its services, and to define the jurisdiction and competence of its courts.

The exercise of these rights has no other limitation than the exercise of the rights of other States according to international law.

Article 4

States are juridically equal, enjoy the same rights, and have equal

¹ Final Act of the Seventh Pan-American Conference.

capacity in their exercise. The rights of each one do not depend upon the power which it possesses to assure its exercise, but upon the simple fact of its existence as a person under international law.

Article 5

The fundamental rights of States are not susceptible of being affected in any manner whatsoever.

Article 6

The recognition of a State merely signifies that the State which recognizes it accepts the personality of the other with all the rights and duties determined by international law. Recognition is unconditional and irrevocable.

Article 7

The recognition of a State may be express or tacit. The latter results from any act which implies the intention of recognizing the new State.

Article 8

No State has the right to intervene in the internal or external affairs of another.

Article 9

The jurisdiction of States within the limits of national territory applies to all the inhabitants.

Nationals and foreigners are under the same protection of the law and the national authorities and the foreigners may not claim rights other or more extensive than those of the nationals.

Article 10

The primary interest of States is the conservation of peace. Differences of any claims which arise between them should be settled by recognized pacific methods.

Article 11

The contracting States definitely establish as the rule of their conduct the precise obligation not to recognize territorial acquisitions or special advantages which have been obtained by force, whether this consist in the employment of arms, in threatening diplomatic representations, or in any other effective coercive measure. The territory of a State is inviolable and may not be the object of military occupation nor of other measures of force imposed by another State directly or indirectly or for any motive whatever even temporarily.

Article 12

The present Convention shall not affect obligations previously entered into by the High Contracting Parties by virtue of international agreements.

Article 13

The present Convention shall be ratified by the High Contracting Parties in conformity with their respective constitutional procedures. The Minister of Foreign Affairs of the Republic of Uruguay shall transmit authentic certified copies to the Governments for the aforementioned purpose of ratification. The instrument of ratification shall be deposited in the archives of the Pan-American Union in Washington, which shall notify the signatory governments of said deposit. Such notification shall be considered as an exchange of ratifications.

Article 14

The present Convention will enter into force between the High Contracting Parties in the order in which they deposit their respective ratifications.

Article 15

The present Convention shall remain in force indefinitely but may be denounced by means of one year's notice given to the Pan-American Union, which shall transmit it to the other signatory Governments. After the expiration of this period, the Convention shall cease in its effects as regards the Party which denounces but shall remain in effect for the remaining High Contracting Parties.

Article 16

The present Convention shall be open for the adherence and accession of the States which are not signatories. The corresponding instruments shall be deposited in the archives of the Pan-American Union which shall communicate them to the other High Contracting Parties.

In witness whereof, the following Plenipotentiaries have signed this Convention in Spanish, English, Portuguese, and French, and hereunto affix their respective seals in the city of Montevideo, Republic of Uruguay, this 26th day of December, 1933.

RESERVATIONS

The Delegation of the United States of America, in signing the Convention on the Rights and Duties of States, does so with the express

reservation presented to the Plenary Session of the Conference on December 22, 1933, which reservation read as follows:

The Delegation of the United States, in voting 'yes' on the final vote on this committee recommendation and proposal, makes the same reservation to the eleven articles of the project or proposal that the United States Delegation made to the first ten articles during the final vote in the full commission, which reservation is in words as follows:

'The policy and attitude of the United States Government toward every important phase of international relationships in this hemisphere could scarcely be made more clear and definite than they have been made by both word and action especially since March 4. I have no disposition therefore to indulge in any repetition or rehearsal of these acts and utterances and shall not do so. Every observing person must by this time thoroughly understand that under the Roosevelt administration the United States Government is as much opposed as any other Government to interference with the freedom, the sovereignty, or other internal affairs or processes of the governments of other nations.

'In addition to numerous acts and utterances in connexion with the carrying out of these doctrines and policies, President Roosevelt, during recent weeks, gave out a public statement expressing his disposition to open negotiations with the Cuban Government for the purpose of dealing with the treaty, which has existed since 1903. I feel safe in undertaking to say that, under our support of the general principle of non-intervention as has been suggested, no Government need fear any intervention on the part of the United States under the Roosevelt administration. I think it unfortunate that during the brief period of this Conference there is apparently not time within which to prepare interpretations and definitions of these fundamental terms that are embraced in the report. Such definitions and interpretations would enable every Government to proceed in a uniform way without any difference of opinion or of interpretations. I hope that at the earliest possible date such very important work will be done. In the meantime, in case of differences of interpretations and also until they (the proposed doctrines and principles) can be worked out and codified for the common use of every Government, I desire to say that the United States Government, in all of its international associations and relationships and conduct, will follow scrupulously the doctrines and policies which it has pursued since March 4, which are embodied in the different addresses of President Roosevelt since that time and in the recent peace address of myself on the 15th day of

December before this Conference, and in the law of nations as generally recognized and accepted.'

The delegates of Brazil and Peru recorded the following private vote with regard to Article 11: 'That they accept the doctrine in principle, but that they do not consider it codifiable, because there are some countries which have not yet signed the Anti-War Pact of Rio de Janeiro of which this doctrine is a part, and therefore it does not yet constitute positive international law suitable for codification.'

(iii) *Resolution on Adherence to and Ratification of Peace Instruments, December 16, 1933.*¹

The Seventh International Conference of American States:

Whereas, the organization of peace demands the sanctioning of international treaties, conventions, pacts, and agreements that may insure the reign of peace in the relations between American countries and with all the nations of the world, the progress of law and of international justice being thus furthered in a definite manner, and the use of force and violence banished from their mutual intercourse;

Whereas, there exist a number of peace instruments that would be an ample and sufficient guarantee of the high purposes asserted, viz.: the Treaty for avoiding and preventing conflicts, concluded in Santiago, Chile, in 1923, and known as the 'Gondra Treaty'; the Kellogg-Briand Treaty, signed in Paris in 1928; the Conciliation Convention, signed in Washington in 1929; and the Inter-American Arbitration Treaty of the same year, as well as the Anti-War Treaty, of Argentine initiative, signed in Rio de Janeiro, in 1933;

Whereas, although these conventions, pacts, and agreements have been signed and even ratified by a certain number of States, there still remain some countries that have not signed or ratified them, impairing thereby the effectiveness of these great instruments of peace, which, if co-ordinated and converted into obligations enforced in every country of the American Continent, would suffice to prevent the crime of war and the disastrous consequences of every kind which it entails for the present and future of all nationalities;

Whereas, the Anti-War Treaty, of Argentine initiative, is intended, as stated in its principles, to co-ordinate and make effective these various peace instruments that may definitely establish international peace without revoking any of the existing instruments, this being one of its characteristics and one of the superior aims with which it is inspired;

¹ Final Act of the Seventh Pan-American Conference.

Resolves:

1. To invite the countries represented at this Conference which have not yet adhered to such peace instruments, to do so; to that end they shall present the respective notifications to the General Secretariat within the shortest possible time, with the reservations, if any, which they may deem it indispensable to make.

2. That the countries which adhere in the manner set forth above, shall deposit their respective instruments of adherence in the manner established by the aforesaid conventions and pacts, viz.: the Gondra Treaty, at Santiago, Chile; the Kellogg-Briand Treaty at Washington; the Inter-American Conciliation Convention at Santiago, Chile; the Inter-American Arbitration Treaty at Washington; and the Anti-War Treaty at Buenos Aires.

3. Once the adherence is executed in the prescribed form, the countries represented at the Seventh Conference shall seek the definite ratification of the said instruments of Peace, according to their respective constitutional procedures, and shall make the required notifications as provided for in the texts of the aforesaid Treaties and Pacts.

(iv) *Resolution on Economic, Commercial, and Tariff Policy,*
*December 16, 1933.*¹

Whereas the Governments of the American Republics, convened at the Seventh International Conference of American States,

Impressed with the disastrous effect of obstructions to international trade upon the full and stable business recovery of individual nations as well as upon general world prosperity;

Desirous of abandoning economic conflict and of achieving some measure of economic disarmament;

Confident that through mutually profitable exchange of goods they themselves and the Governments of the other nations of the world may reduce unemployment, increase domestic prices, and improve business conditions in their respective countries; and

Recognizing that the existing high trade barriers can be effectively reduced only through simultaneous action by the nations of the world;

The Seventh International Conference of American States,

Resolves

That the Governments of the American Republics will promptly undertake to promote trade among their respective peoples and with

¹ Final Act of the Seventh Pan-American Conference.

other nations and to reduce high trade barriers through the negotiation of comprehensive bilateral reciprocity treaties based upon mutual concessions; and

That the Governments of the American Republics do each subscribe, and call upon other Governments of the world to subscribe, to the policy and undertaking, through simultaneous action of the principal nations, of gradually reducing tariffs and other barriers to mutually profitable movements of goods, services, and capital between nations, such policy and undertaking being in words and figures as follows:

That at the earliest practicable date consistent with the exceptions and reservations herein, the subscribing Governments, while not neglecting unilateral action, will simultaneously initiate between and among themselves negotiations for the conclusion of bilateral or multilateral agreements for the removal of prohibitions and restrictions and for the reduction of tariff rates to a moderate level. The reservations and exceptions shall apply to the entire undertaking herein and shall expressly include the operation of temporary, emergency, or other extraordinary measures comprising domestic programmes, primarily for national economic recovery, now or hereafter in operation in any country party to this undertaking. The object of this undertaking is to assert and maintain the broad economic policy of gradually combining with any existing domestic programme a suitable programme of international economic co-operation as each nation emerges from serious panic conditions.

The subscribing Governments undertake, moreover, that their aim will be substantial reductions of basic trade barriers and liberalization of commercial policy as aforesaid, and not merely the removal of temporary and abnormal restrictions and increments imposed for bargaining purposes. They will endeavour in so doing to direct their greatest efforts towards the elimination of those duties and restrictions which retard most severely the normal flow of international trade; for instance, duties or restrictions which completely or almost completely exclude international competition, such as those which restrict the importation of particular commodities to less than three to five per centum of domestic consumption; and also protective duties or restrictions which have been in effect for a considerable period of time without having brought about domestic production equal to fifteen per centum of the total domestic consumption thereof.

As a part of this undertaking they will revive and revise the Convention of 1927, or agree upon a new Convention, for the abolition

of import and export prohibitions and restrictions, together with other general conventions having in view the removal of impediments to commerce, and endeavour to obtain, for all such instruments, acceptance as nearly universal as possible.

The subscribing Governments declare that the principle of equality of treatment stands and must continue to stand as the basis of all acceptable commercial policy. Accordingly they undertake that whatever agreements they enter into shall include the most-favoured-nation clause in its unconditional and unrestricted form, to be applied to all types of control of international trade, limited only by such exceptions as may be commonly recognized as legitimate, and they undertake that such agreements shall not introduce features which, while possibly providing an immediate advantage for the Contracting Parties, might react disadvantageously upon world trade as a whole.

The subscribing Governments declare further that the most-favoured-nation principle enjoins upon States, making use of the quota system or other systems for limiting imports, the application of these systems in such a way as to dislocate as little as possible the relative competitive positions naturally enjoyed by the various countries in supplying the articles affected.

With a view to encouraging the development of unified and comprehensive multilateral treaties as a vitally important instrument of trade liberalization, the advantages of which treaties ought not to be open to countries which refuse to confer advantages, the subscribing Governments declare, and call upon all countries to declare, that they will not invoke their right to demand, under the most-favoured-nation clause contained in bilateral treaties to which they may be parties, any benefits of multilateral treaties which have as their general purpose the liberalization of international economic relations and which are open to the accession of all countries, provided that such renunciation shall not operate in so far as the country entitled to most-favoured-nation treatment in fact reciprocally accords the benefits which it seeks.

For the purpose of carrying out the policy embraced in the foregoing undertaking, the subscribing Governments favour the establishment of a permanent international agency, which shall closely observe the steps taken by each of them in effecting reductions of trade barriers, and which shall upon request furnish information to them regarding the progress made by each in effectuating the aforesaid programme.

In consideration of the promises, the Governments of the American Republics earnestly call upon the appropriate agencies of the World

Monetary and Economic Conference at London, now in recess, promptly to co-operate in bringing this proposal to a favourable conclusion.

(v) *Resolution on Import Quotas, December 24, 1933.*¹

The Seventh International Conference of American States,
Declares:

1. That the system of quotas of exportation and importation under permits or licences is in conflict with the fundamental principle of the equality of economic treatment among nations and that, except in the cases provided for by specific contractual agreements, they are opposed to the real spirit of the most-favoured-nation clause;

2. That, although the system of quotas and import licences has its origin in the chaotic situation created by the present crisis, the American countries express their determination to base their internal legislation and international commercial interchange upon the theory of co-operation for its elimination as quickly as possible, when the just motives which may have caused those restrictions shall have disappeared—as they consider them injurious to economic prosperity and in opposition to equality of economic treatment among nations;

3. That, until a universal agreement can be reached for its total abolition, the countries employing the system will apply it in a manner which will disturb as little as possible the present relative competitive positions of the various countries in the provision of the merchandise affected.

(vi) *Resolution on Import Prohibitions, December 24, 1933.*¹

The Seventh International Conference of American States,
Recommends:

That the American States include in their future commercial treaties clauses under which they shall agree:

1. To consult, whenever it is possible to do so, the interested countries before applying new measures of a sanitary character respecting international commerce in animal or vegetable products;

2. To enter into conversations at any time, at the request of the interested country, concerning the application of the measures in effect;

3. In case of disagreement as to the interpretation of the measures in effect, not to take any step which might injure the commerce of the interested country before submitting the question to a mixed

¹ Final Act of the Seventh Pan-American Conference.

committee of technical experts from both countries, so that it may submit recommendations to the respective Governments ;

4. That the Governments, in urgent cases, may apply the measures they consider necessary without the previous consultation and conversations provided for in the preceding paragraphs ; but they are obliged to notify the affected countries immediately, with an explanation of the causes of the measures they have adopted.

(vii) *Resolution on Multilateral Commercial Treaties,*
*December 24, 1933.*¹

The Seventh International Conference of American States, After deliberating on the proposition of the United States of America relative to multilateral treaties, which proposition it will deposit with the office of the Pan-American Union, and adherence thereto shall be open to all countries,

Recommends :

To the Governments convened in this Conference the study of multilateral commercial treaties and of the possibility of adopting a universal agreement, or at least one which shall be accepted by the nations of greatest economic power. This agreement shall include stipulations by which the States shall be obliged not to invoke the unconditional most-favoured-nation clause in bilateral treaties without assuming the corresponding obligations.

The proposition of the Delegation of the United States, to which the recommendation for study refers, is as follows :

The Governments of the Republics convened at the Seventh International Conference of American States, desirous of encouraging the development of economic relations among the peoples of the world by means of multilateral conventions, the benefits of which ought not to accrue to countries which refuse to assume their obligations ; and desirous also, while reaffirming as a fundamental doctrine the policy of equality of treatment, to develop such policy in a manner harmonious with the development of general economic *rapprochement* in which every country shall do its part ; have decided to enter into an agreement for those purposes, as set forth in the following articles :

Article 1

The High Contracting Parties, with respect to their relations with one another, will not, except as provided in Article 2 hereof, invoke the obligations of the most-favoured-nation clause for the purpose of obtaining advantages enjoyed by the parties to multilateral economic

¹ Final Act of the Seventh Pan-American Conference.

conventions of general applicability, which include a trade area of substantial size, have as their objective the liberalization and promotion of international trade or other international economic intercourse, and are open to adoption by all countries.

Article 2

Notwithstanding the stipulations of Article 1, the High Contracting Parties may demand the fulfilment of the most-favoured-nation clause in so far as each respectively accords in fact the benefits required by the economic agreement the advantage of which it claims.

Article 3

The present agreement is operative on the date hereof among those Governments on behalf of which it is signed. Thereafter it shall be open to signature on behalf of any State and shall become operative with respect to each such State on the date of signing thereby. It shall remain operative indefinitely, but any Party may terminate its own obligations hereunder three months after it has given to the Pan-American Union notice of such intention.

Article 4

This agreement is a single document in Spanish, Portuguese, French, and English, all of which texts are equally authoritative. It shall be deposited with the Pan-American Union, which is charged with the duty of keeping it open for signature or re-signature indefinitely, and with transmitting certified copies, with invitations to become parties, to all of the States of the world. In performing this function, the Pan-American Union may invoke the assistance of any of its members signatory hereto.

D. FAR EAST

JAPAN

1. TRUCE-AGREEMENT BETWEEN THE CHINESE AND JAPANESE MILITARY AUTHORITIES, SIGNED AT TANGKU, MAY 31, 1933¹

(i) The Chinese army will withdraw to the west and south of the line from Yen-Ching to Chang-Ping, Kao-Li-Yung, Sun-Yi, Tung-Chow, Hsiang-Ho, Pao-Ti, Lin-Ting-Kow, Ning-Ho and Lu-Tai, and undertakes not to advance beyond that line and to avoid any provocation of hostilities.

(ii) The Japanese army may use aeroplanes or other means to verify the carrying-out of the above article. The Chinese authorities will afford them protection and facilities for such purpose.

(iii) The Japanese army, after ascertaining the withdrawal of the Chinese army to the line stated in Article (i), undertakes not to cross the said line and not to continue to attack the Chinese troops, and shall entirely withdraw voluntarily to the Great Wall.

(iv) In the region to the south of the Great Wall and to the north and east of the line as defined in Article (i), the maintenance of peace and order shall be undertaken by the Chinese police authorities.

(v) The present Agreement shall come into effect upon its signature.

2. ADDRESS BY M. KOKI HIROTA, FOREIGN MINISTER, JANUARY 23, 1934²

The Japanese Government was obliged to serve notice of withdrawal from the League of Nations on March 27 last year because the Manchurian incident and question regarding the State of Manchukuo showed that there was no agreement between Japan and the League on fundamental principles of preserving the peace in eastern Asia.

At the time when the decisive step was taken, His Majesty the Emperor graciously issued a rescript pointing out clearly and precisely the path this nation should henceforth pursue.

It reads:

'Now that Manchukuo has been founded, our empire deems it essential to respect the independence of the new State and to

¹ League of Nations, *Official Journal*, Special Supplement No. 113. See *Survey* for 1933, Part V (ii).

² Before the Japanese Imperial Diet. *New York Times*, January 23, 1934.

encourage its healthy development in order that sources of evil in the Far East may be eradicated and enduring peace thereby established.

‘However, the advancement of international peace is what, as evermore, we desire, and our attitude toward the enterprises of peace shall sustain no change. By quitting the League and embarking on a course of its own, our empire does not mean that it will stand aloof in the Extreme Orient, nor that it will isolate itself thereby from the fraternity of nations.

‘It is our desire to promote mutual confidence between our empire and all other Powers and to make known the justice of its cause throughout the world.’

I am convinced that, if we all unite in our endeavours to act in accordance with the wishes of our august sovereign, the world will surely come to realize the fairness and justice of Japan’s position, and bright will be the future of our empire.

Personally speaking, in obedience to the Imperial message, I am determined to use every ounce of my energy to ‘carry out our national policy by diplomatic means in the interest of world peace’.

Fortunately to-day, after our withdrawal from the League, commercial as well as diplomatic relations between Japan and friendly Powers in general have become even closer and more cordial than before. I wish to avail myself of this occasion to dwell somewhat on recent phases of our relations with those countries which are situated in our immediate neighbourhood.

Manchukuo, thanks to the tireless labour of His Excellency the Regent and of Government authorities, and also to the whole-hearted assistance and collaboration extended to her by this country, true to the spirit of the Japan-Manchukuo protocol, has been making steady progress along all lines of her constructive work.

In ordering various governmental institutions, especially in the maintenance of law and order, in developments of industry and communication, in consolidation of the national finance and in the advancement of education and culture, signal success has been achieved.

Moreover, a decision is about to be made on the establishment of a monarchical régime which has been so eagerly awaited by all her people, and which will go far to solidify the foundations of Manchukuo as a young independent nation.

This is a matter of congratulation, not for Manchukuo alone, but for the peace of the Orient and the peace of the world. I think it behoves our Government and people, always mindful of the Imperial

rescript, to exert their efforts unremittingly in assisting the healthy growth of the new State.

The Japanese Government has serious responsibilities for the maintenance of peace in eastern Asia and has a firm resolve in that regard. But what is more essential in the matter is the stabilization of China herself.

Our government sincerely hopes for the political and economic rehabilitation of China. It hopes that she will be enabled to unite with Japan in performing the obvious mission of both Japan and China—to contribute through mutual aid and co-operation to peaceful development of their part of the globe.

Unfortunately the actual situation of present-day China belies all such hopes. It has been reported that of late the Chinese Government, realizing the mistake of persisting in its anti-Japanese attitude, has decided to take steps towards the rectification of Sino-Japanese relations, but so far no concrete evidence has come to our notice to confirm the truth of the report.

Should China appreciate our true motives and give tangible signs of sincerity on her part, Japan would be glad to reciprocate and meet her more than half-way in a spirit of good will. It is gratifying to note that North China, under control of the Peiping political committee, remains comparatively quiet.

In view of the important rights and interests of Japan in that region and of its territorial contiguity with Manchukuo, and also from the standpoint of the Tangku truce agreement, the question of maintenance of peace and order in North China is of special concern to Japan. She expects China to see to it that nothing will happen that may bring chaos to that area.

Meanwhile we are watching, not without grave misgivings, the activities of the Communist party and the increasing rampancy of 'Red' armies in China.

Regarding Japan's relations with the Soviet Union, it may be recalled that, subsequent to the conclusion of the Peking basic treaty in 1925, normal contact was maintained between the two countries, and that even after the Manchurian incident there was thorough mutual understanding between the two Powers of their respective positions, so that no difficult question was encountered.

However, more recently the attitude of the Soviet Union toward Japan seems to have undergone a change of some sort. It is most surprising and regrettable that the Soviet Union should now take to broadcasting at home and abroad, through the press and other channels, unwarranted criticisms directed against Japan, and circulate

exaggerated stories about aggravations of this or that situation, evidently for political and diplomatic purposes which such rumours are calculated to serve.

Japan has consistently preserved her fair and equitable attitude toward the Soviet Union throughout the years past, before and after the Manchurian incident. Despite the fundamental differences in both the theory and constitution of the State that divide the two countries, we have always endeavoured to keep on good neighbourly terms with Soviet Russia and sought the solution of all questions by pacific means.

Especially since the establishment of Manchukuo, the Japanese Government has been acting solely upon its conviction that a proper adjustment of the tripartite relationship among Japan, Manchukuo, and the Soviet Union was of paramount importance for the tranquillity of eastern Asia. Japan certainly is setting up no new military establishments along the Manchukuo-Soviet frontiers, Moscow propaganda notwithstanding.

Indeed, it is only as a part of the above-mentioned friendly policy that Japan has undertaken since last June to act as an intermediary between Manchukuo and the Soviet Union in their negotiations on the proposed transfer of the North Manchuria Railway. Such being the case, I am sure that before long the Soviet Union must come to appreciate fully the true intentions of Japan.

It is earnestly hoped that the North Manchuria Railway negotiations, which have unfortunately been at a standstill for some time past, will soon be resumed.

It may be definitely stated that between Japan and the United States of America there exists no question that is intrinsically difficult of solution. Far from having any thought of picking a quarrel with America, Japan fervently desires American friendship. At the same time I am confident that the United States will not fail to appraise correctly Japan's position in eastern Asia.

Only for a time following the outbreak of the Manchurian incident, public opinion in America was aroused against Japan, bringing about something like temporary estrangement of the two peoples. It is hardly necessary to reiterate that Japan is actuated by no ulterior motive other than her desire to establish enduring peace in eastern Asia.

Therefore, if only America will clearly perceive the actual condition of the Orient and realize Japan's role as a stabilizing force in eastern Asia, whatever emotional tension may yet linger between the two peoples is bound to disappear.

I sincerely hope that the two great nations across the Pacific will, in view of their important relations, commercial and otherwise, continue to join forces in cultivating their historical friendship and good understanding so as to keep the ocean for ever true to its name.

Japan's traditional amity with the British Empire remains unshaken, even in these times. I believe the two sea powers occupying geographically similar key positions, one in the East and the other in the West, can effectively serve the cause of universal peace through sympathetic appreciation of their respective standpoints and whole-hearted collaboration in all quarters of the world.

It is in this sense that our Government is seeking to readjust whatever conflict of interests relating to questions of trade there may be and to strengthen further the ties of friendship that bind our empires. That our negotiations with India, an important member of the British Empire, over knotty problems of commerce, have now been substantially concluded is a source of gratification on both sides.

Now a survey of the world as a whole reveals a sorry situation in which economic disorder, political unrest and confusion, and conflict of ideas threaten to destroy international equilibrium at any moment, while the mutual confidence of nations in one another appears to have wilted not a little.

I consider that no insuperable difficulties need be anticipated in settling any question, if the nations manifest their sincerity and with true comprehension of one another's position meet in a genuine and generous spirit of universal brotherhood.

What is wanted is the abandonment of bootless jealousy and antagonism, and reinforcement of the sense of unity and mutual interdependence. However, international trade barriers, instead of decreasing, are fast multiplying. The World Economic Conference was forced to adjourn without having achieved the desired results.

Of late our industries have made marked strides with corresponding expansion in our oversea trade, although, owing to the prevailing economic nationalism, one country after another has begun to set up fresh obstacles against the advance of our export industries. Our Government is making earnest efforts to deal effectively with the situation.

Since mutual understanding of one another's unique national culture is of no small value in fostering good will between nations, our Government is planning to take suitable measures in concert with private institutions for facilitating the cultural intercourse of our nation with the outside world.

In the light of what I have already stated, it is impossible for me

to deny that our foreign relations are now, and will be in the future, beset with many serious problems. However, the path of a rising nation is always strewn with problems.

As long as our people are united and well prepared to face courageously whatever difficulties may arise, and as long as we retain our composure and sobriety and 'stray not from the path of rectitude, and in action always embrace the golden mean', I am confident that Japan has nothing to fear and her future will be full of hope. We should not forget that Japan, serving as only a corner-stone for the edifice of peace of eastern Asia, bears the entire burden of responsibilities.

It is this important position and these vast responsibilities in which Japan's diplomacy and national defence are rooted. Our national defence is organized in its very nature for defensive and self-protective purposes. At the same time our diplomacy has no claims to put forth, save what is legitimate and rational and consonant with our national mission.

That eventually this position in which Japan naturally and actually finds herself will be rightly understood by other Powers is, I believe, a foregone conclusion.

APPENDIX

CHRONOLOGY OF TREATIES

(i) Treaties and Agreements between two or more States.

N.B. The following abbreviations are used in the references (in brackets) to the published texts of treaties: *Cmd.* = *British Parliamentary Paper*; *E.N.* = *L'Europe Nouvelle* (Paris); *F.F.* = *Feuille Fédérale* (Switzerland); *I.I.I.* = *Bulletin de l'Institut Intermédiaire International* (Netherlands); *J.O.F.* = *Journal Officiel* (France); *L.N.O.J.* = *League of Nations Official Journal*; *L.N.T.S.* = *League of Nations Treaty Series*; *M.B.* = *Moniteur Belge*; *M.O.C.I.* = *Moniteur Officiel du Commerce et de l'Industrie* (France); *O.M.* = *Oriente Moderno*; *Ov.F.S.* = *Overenskomst med Fremmede Stater* (Norway); *R.* = *Reichsgesetzblatt Teil II* (Germany); *R.d.L.F.* = *Recueil des Lois Fédérales* (Switzerland); *R.I.I.C.* = *Revue de l'Institut International du Commerce*; *S.* = *Staatsblad* (Netherlands); *S.Ö.F.M.* = *Sve- riges Överenskommelser med Främmande Makter*; *T.I.* = *Treaty Infor- mation* (U.S.A.); *U.S.E.A.* = *United States Executive Agreement*; *U.S.T.S.* = *United States Treaty Series*.

ABYSSINIA

1933, May 24. Friendship and commerce treaty signed with Switzerland and Liechtenstein (*F.F.* June 21, 1933).

AFGHANISTAN

1933, April 12. Ratifications exchanged with Lithuania of friendship treaty of Dec. 9, 1930. Came into force April 27 (*L.N.T.S.* 139).

ALBANIA

1933, Feb. 21. Ratifications exchanged with France of commercial treaty of March 28, 1929.

March 1. Extradition treaty signed with U.S.A.

June 26. Provisional commercial agreement signed with Greece. Came into force July 15 (*R.I.I.C.* Sept. 1933). July 27. Agreement signed regarding passage of frontier by flocks.

July 1. Money order convention of April 13/June 18, 1932, came into force with U.S.A.

Dec. 29. Denunciation of commercial treaty with Czechoslovakia as from Dec. 29.

ARGENTINA

1933, Feb. 25. Ratifications exchanged with Belgium of workmen's compensation convention of Dec. 24, 1924 (*M.B.* July 9, 1933).

May 1. Commercial convention signed with Great Britain, comple- mentary to treaty of friendship, commerce, and navigation of Feb. 2, 1825. Sept. 26, supplementary tariff agreement signed. Ratifica- tions exchanged of both agreements Nov. 7 (*Cmd.* 4492 and 4494).

May 15. Commercial *modus vivendi* with Chile of Nov. 12, 1932, pro- longed from May 15 to July 15. June 3, commercial treaty signed.

ARGENTINA: *cont.*

- Ratifications exchanged Oct. 21, came into force same day (Summary *R.I.I.C.* Sept. 1933).
 1933, Sept. 27. Customs convention signed with Italy.
 Oct. 19. Aviation convention signed with Brazil.
 Nov. 3. Ratifications exchanged with Austria of workmen's compensation convention of March 22, 1926.

AUSTRALIA

- 1933, April 6. Commercial agreement concluded with New Zealand.
 Sept. 19. Parcel post agreement signed with Netherlands East Indies on July 17 and Sept. 19.
 Dec. 14. Commercial agreement signed with Belgium (*Cmd.* 4504).
 See also under AUSTRIA, April 20; CZECHOSLOVAKIA, May 8; ESTONIA, Feb. 14/17; GERMANY, Jan. 3; ITALY, May 5; NORWAY, April 12/22; POLAND, April 3/27; PORTUGAL, 1932, Jan. 20; 1933, April 25; SPAIN, April 10/29.

AUSTRIA

- 1932, Dec. 14. Aviation agreement signed with Great Britain (*Cmd.* 4435).
 1933, Jan. 1. Deportation agreement of Dec. 7, 1932, came into force with Germany (*R.* Feb. 2, 1932).
 Jan. 1. Commercial payments agreement of Dec. 28, 1932, came into force with Hungary. Commercial treaty of Dec. 21, 1932, came into force provisionally. Ratifications exchanged May 27. Aug. 25, additional agreement signed.
 Jan. 1. Accession of cantons of Lucerne and St. Gall to Austro-Swiss double taxation convention of Oct. 24, 1927, as from Jan. 1.
 Jan. 14. Ratifications exchanged with Great Britain of aviation convention of July 16, 1932, came into force same day (*Cmd.* 4263).
 Jan. 18. Protocol signed with Czechoslovakia additional to social insurance treaty of Sept. 5, 1931. Ratifications exchanged of treaty and protocol April 27, came into force May 1.
 Feb. 1. Exchange of notes with Germany effecting agreement additional to unemployment insurance agreements of Feb. 18, 1924, and Feb. 29, 1928, came into force same day (*R.* Feb. 15, 1933).
 Feb. 10. Exchange of notes with Persia prolonging provisional agreement of June 17, 1928, till Aug. 10.
 Feb. 16. Two agreements signed with Italy regarding commercial payments and clearing. Came into force Feb. 25 (2) (*R.I.I.C.* March 1934).
 Feb. 27. Ratifications exchanged with Hungary of public debt agreement of Nov. 27, 1932. Came into force same day.
 March 6. Exchange of notes with Rumania regarding commercial payments.
 March 18. Convention signed with Switzerland regarding embroidery industry. Came into force April 1 (*R.d.L.F.* April 12, 1933).
 March 23. Ratifications exchanged with Poland of agreement of Oct. 26, 1932, regarding Austro-Hungarian archives (*L.N.T.S.* 138).
 April 1. Compensation agreement signed with Bulgaria, to remain in

AUSTRIA: *cont.*

force till Dec. 31 (Summary *R.I.I.C.* June 1933). July 27. Further exchange of notes.

1933, April 14. Commercial convention signed with Czechoslovakia.

April 18. Exchange of notes with Switzerland modifying commercial payments agreement of April 8, 1932. Came into force same day (*R.d.L.F.* May 3, 1933). May 23, agreement effected by exchange of notes regarding expiry of 1932 agreement (*R.d.L.F.* June 7, 1933).

April 20. Exchange of notes with Great Britain of April 12/20 extending civil procedure convention of March 31, 1931, to Southern Rhodesia as from May 12. Extended to Australia and dependencies as from Nov. 10 (*L.N.T.S.* 134).

May 16. Agreements regarding international goods traffic convention of Oct. 23, 1924, signed with Czechoslovakia on May 16/June 6, with Denmark on May 16/June 2, with Germany on May 2/16, with Hungary on May 16/June 12, with Italy on May 16/21, with Yugoslavia on May 16/June 8, with Norway on May 16/June 2, with Poland on May 16/22, and with Sweden on May 16/June 21.

June 5. Concordat signed with the Vatican.

June 9. Commercial agreement signed with France additional to agreement of May 16, 1928 (*M.O.C.I.* Aug. 26, 1933). June 17/22. Exchange of notes effecting commercial payments agreement in force from July 13 replacing agreement of April 16, 1932 (*R.I.I.C.* Sept. 1933).

June 30. Exchange of notes with Switzerland modifying commercial treaty of Jan. 6, 1926. Came into force July 15 (*R.d.L.F.* July 27, 1933).

July 12. Exchange of notes with Turkey concluding compensation agreement in force from July 22 (Summary *R.I.I.C.* Dec. 1933). Oct. 10, additional agreement signed.

July 27. Notes exchanged with Great Britain respecting recognition of proof-marks on firearms. Came into force Nov. 2 (*Cmd.* 4408).

Aug. 9. Commercial agreement signed with Yugoslavia additional to treaty of March 9, 1932.

Aug. 11. Ratifications exchanged with Italy of protocol of April 14, 1932, additional to commercial treaty of April 28, 1923.

Sept. 3. Exchange of notes with Norway of July 15/Sept. 3 concluding compensation agreement in force from Oct. 1 (*Ov.F.S.* No. 3, 1933).

Sept. 15. Exchange of notes with Greece regarding commercial payments.

Oct. 3. Ratifications exchanged with Italy of clearing agreement of July 7, 1932, and protocol of Nov. 11, 1932.

Oct. 11. Commercial convention and veterinary agreement signed with Poland. Came into force same day (Summary, *M.O.C.I.* Nov. 18/25, 1933). Nov. 7. Ratifications exchanged of fiscal convention of April 22, 1932.

Nov. 14. Exchange of notes with Germany modifying commercial treaty of April 12, 1930. Came into force provisionally Nov. 24 (*R.* Nov. 25, 1933).

See also under ARGENTINA, Nov. 3.

BADEN

1933, March 11. Ratifications exchanged with the Vatican of concordat of Oct. 12, 1932, and additional protocol of Nov. 7/10, 1932. Came into force same day (*E.N.* Dec. 30, 1933).

BELGIUM

1933, Jan. 1. Fiscal convention of July 11, 1931, came into force with Italy (*M.B.* Jan. 17, 1932).

Jan. 4. Compensation agreement signed with Luxembourg and Germany (Summary *R.I.I.C.* March 1933).

Jan. 6. Exchange of notes of Dec. 16, 1932, and Jan. 6, 1933, with Bolivia extending extradition treaty of July 24, 1908, to Belgian Congo and Ruanda-Urundi. Date of entry into force subsequently postponed (*M.B.* July 15, 1933).

Jan. 7. Ratifications exchanged with Lithuania of convention of June 16, 1932, additional to extradition treaty of May 17, 1927 (*M.B.* March 15, 1933).

Jan. 9. Ratifications exchanged with Spain of aviation convention of Feb. 27, 1932 (*M.B.* Feb. 3, 1933).

Feb. 4. Exchange of notes with Italy putting certificates of origin agreement of Aug. 18, 1932, in force from Feb. 10.

Feb. 20. Commercial treaty signed with Luxembourg and Netherlands (*R.I.I.C.* June 1933). Conventions also signed with Netherlands regarding (1) double taxation; (2) establishment and labour.

Feb. 21. Compensation convention signed with Luxembourg and Yugoslavia additional to convention of July 7, 1932. Put into force from May 1 by exchange of notes (*M.B.* May 21, 1933).

Feb. 23. Exchange of notes with Spain effecting repatriation agreement.

Feb. 28. Ratification exchanged with Netherlands of social insurance convention of Oct. 16, 1931 (*S.* No. 97, 1933).

March 14. Declaration signed with Denmark extending extradition treaty of March 25, 1876, and declaration of Oct. 25, 1926, to Belgian Congo and Ruanda-Urundi (*L.N.T.S.* 139).

March 17. Exchange of notes with Netherlands additional to agreement of July 21, 1913, regarding repatriation of minors. Came into force same day (*S.* No. 279, 1933).

March 24. Third additional agreement signed to commercial agreement with Luxembourg and Germany of April 4, 1925 (*R.* April 6, 1933). May 1, agreement reached regarding entry into force on May 10. Fourth agreement signed on May 10, provisionally in force from May 30 (*R.* May 18/24, 1933). June 26, fifth agreement signed, provisionally in force from July 1 (*R.* June 28, 1933).

March 28/29. Exchange of notes with Luxembourg and France regarding commercial agreement of April 15, 1931 (*J.O.F.* May 4, 1933). April 5/7 further exchange of notes (*M.O.C.I.* May 13, 1933).

July 29, further agreement signed, provisionally in force from Oct. 29 (Summary *R.I.I.C.* Sept. 1933).

April 7. Exchange of notes with Great Britain regarding Belgian Congo-Northern Rhodesia frontier (*Cmd.* 4363).

BELGIUM: *cont.*

- 1933, April 11. Exchange of notes with Sweden of April 3/11 regarding judicial sentences (*S.Ö.F.M.* No. 10, 1933).
- May 1. Commercial agreement concluded by exchange of notes with Luxembourg and Czechoslovakia. Came into force May 8.
- May 24. Commercial payments convention signed with Luxembourg and Hungary replacing convention of March 26, 1932, as from July 1 (*L.N.T.S.* 140).
- May 26. Convention signed with Luxembourg and Chile regarding commerce and foreign exchange (Summary *R.I.I.C.* June 1933).
- May 31. Exchange of notes with Luxembourg regarding repatriation of minors (*M.B.* July 12, 1933).
- June 3. Ratifications exchanged with Luxembourg and Yugoslavia of compensation agreement of July 7, 1932. Came into force June 13 (*L.N.T.S.* 139).
- June 10. Additional agreement signed with Luxembourg and Poland to commercial treaty of Dec. 30, 1922. Came into force Oct. 11 (*M.B.* Oct. 6, 1933).
- June 15. Agreement signed with Germany regarding money brought into Belgium by German tourists.
- June 21. Compensation agreement signed with Luxembourg and Bulgaria came into force July 15 (*L.N.T.S.* 140).
- July 15. Ratifications exchanged with France of fiscal convention of May 16, 1931 (*M.O.C.I.* Aug. 5, 1933).
- July 25. Declaration signed with Greece regarding tonnage certificates (*M.B.* Aug. 25, 1933). Aug. 4. Convention signed additional to extradition treaty of June 26/July 9, 1901, and declaration of March 27/April 9, 1908. •
- Sept. 6. Compensation convention signed with Luxembourg and Rumania (*R.I.I.C.* Dec. 1933).
- Sept. 16. Exchange of notes with Luxembourg and Germany of Aug. 28/Sept. 16 extending frontier traffic agreement of July 15, 1926, to frontier between Germany and Luxembourg as from Oct. 1, 1933 (*R.* Sept. 22, 1933).
- Sept. 19. Ratifications exchanged with Turkey of establishment convention of July 30, 1931 (*M.B.* Oct. 13, 1933).
- Nov. 20. Judicial convention with Great Britain of June 21, 1922, extended to Nauru as from Nov. 20.
- Nov. 22.* Ratifications exchanged with Germany of convention of July 16, 1931, regarding accident insurance for agricultural workers (*R.* Dec. 19, 1933).
- Nov. 23. Belgium and Luxembourg denounced commercial treaty with Turkey of Aug. 28, 1927, with effect from May 23, 1934.
- Dec. 5. Trade agreement with New Zealand concluded by exchange of notes (*Cmd.* 4508).
- Dec. 15. Commercial convention of March 21, 1906, with Salvador prolonged from Dec. 15 for one year.

See also under ARGENTINA, Feb. 25; AUSTRALIA, Dec. 14.

BOLIVIA

See under BELGIUM, Jan. 6.

BRAZIL

- 1932, July 23. Extradition treaty signed with Switzerland (*F.F.* Oct. 11, 1933).
- 1933, Jan. 7. Commercial agreement of Sept. 21, 1932, came into force with Latvia (Summary *R.I.I.C.* June 1933).
- Jan. 9. Commercial agreement of Nov. 26, 1931, came into force with Finland (*L.N.T.S.* 126).
- Jan. 27. Conciliation treaty signed with Poland. Ratifications exchanged Oct. 13.
- Feb. 24. Commercial agreement signed with Syria and Lebanon (Summary *R.I.I.C.* Dec. 1933).
- March 21/23. Exchange of notes with Venezuela regarding frontier delimitation.
- May 15. Commercial agreement signed with Greece came into force same day (Summary *R.I.I.C.* Dec. 1933).
- June 12/14. Exchange of notes with Germany regarding visiting warships.
- July 2. Commercial convention signed with Turkey (Summary *R.I.I.C.* Dec. 1933).
- Aug. 25. Commercial treaty signed with Uruguay. Ratifications exchanged, Dec. 20 (*R.I.I.C.* Dec. 1933).
- Aug. 26. Commercial treaty signed with Portugal, in force provisionally from Sept. 15 (Summary *R.I.I.C.* Dec. 1933).
- Oct. 16. Commercial agreement of May 16, 1932, came into force with Yugoslavia.
- See also under ARGENTINA, Oct. 19; CHINA, Feb. 8/12.

BULGARIA

- 1933, Jan. 16. Commercial payments agreement signed with France, afterwards modified by agreement in force from Oct. 1 (*M.O.C.I.* Feb. 4 and Dec. 30, 1933).
- Feb. 3. Commercial agreements effected with Germany by exchange of notes regarding agreement of June 24, 1932. Nov. 24, further agreement signed. Dec. 4, ratifications exchanged of agreement of June 24, 1932. Came into force Dec. 19 (*R.* Feb. 15 and Dec. 7, 1933).
- March 1. Commercial payments agreement signed with Switzerland and Liechtenstein to remain in force for a year from March 15 (*R.d.L.F.* March 29, 1933).
- July 27? Commercial treaty signed with Czechoslovakia.
- Sept. 23. Protocol signed with Turkey renewing neutrality treaty of March 6, 1929, for five years.
- Dec. 5. Agreement regarding certificates of origin concluded by exchange of notes of Nov. 5/Dec. 5, 1932, came into force with Norway (*L.N.T.S.* 136).
- See also under AUSTRIA, April 1; BELGIUM, June 21.

CANADA

- 1932, Oct. 19. Exchange of notes with France concluding double taxation agreement (*Canadian Treaty Series* No. 8, 1932).

CANADA: *cont.*

- 1933, Jan. 1. Provisional commercial agreement with Germany prolonged from Jan. 1 to March 31 and subsequently to Jan. 1, 1934.
 Jan. 2. Ottawa agreement of Aug. 20, 1932, came into force with Irish Free State (Canada: *Report of Conference, Annex V*).
 Jan. 13. Exchange of notes with U.S.A. regarding St. Lawrence waterway (*T.I.* Jan. 1933).
 March 13. Parcel post agreement signed with Norway on Oct. 12, 1932, and March 13, 1933 (*Ov.F.S.* No. 6, 1933).
 March 31. Money order agreement signed with Finland. Came into force May 1 (Summary *R.I.I.C.* June 1933).
 May 12. Commercial treaty signed with France, provisionally in force from June 10 (*M.O.C.I.* June 17/24 and July 1/8, 1933).
 May 24. Commercial agreement with New Zealand of April 23, 1932, prolonged till Nov. 24, 1933, and May 24, 1934.
 Oct. 5. Cuba denounced radio telegraph agreement of Feb. 26/28, 1929, between Canada, Cuba, Newfoundland, and U.S.A. as from Oct. 5.
 Dec. 9. Load line convention signed with U.S.A.

CHILE

- 1932, Oct. 31. Commercial *modus vivendi* signed with Peru (Summary *R.I.I.C.* March 1933). 1933, April 28, exchange of notes prolonging agreement till Oct. 30. Further prolonged till June 30, 1934.
 Dec. 19. Commercial payments agreement signed with Spain (Summary *R.I.I.C.* June 1933).
 1933, Jan. 14. Exchange of notes with Cuba effecting garlic and sugar agreement in force till May 31.
 Jan. 27. Commercial *modus vivendi* of May 22, 1931, came into force with France.
 March 8. Commercial payments convention signed with Sweden (*S.O.F.M.* No. 32, 1933).
 April 22. Commercial agreement effected by exchange of notes with Germany. Came into force provisionally May 1 (*R.* April 28, 1933).
 June 16. Identity cards agreement signed with Peru. Ratifications exchanged Oct. 20.
 July 1. Ratifications exchanged with Czechoslovakia of commercial agreement of Sept. 18, 1930. Came into force July 16.
 See also under ARGENTINA, May 15; BELGIUM, May 26.

CHINA

- 1932, April 28. Postal agreement signed with Ceylon on Dec. 21, 1931, and April 28, 1932. Came into force July 1 (*L.N.T.S.* 137).
 1933, Feb. 8/12. Exchange of notes between China and Brazil, France, Great Britain, Netherlands, Norway, and U.S.A., extending till April 1, 1936, agreement of Feb. 17, 1930, regarding Chinese courts in Shanghai International Settlement (*Cmd.* 4348).
 April 17. Exchange of notes with Netherlands regarding Boxer indemnity (*I.I.I.* Oct. 1933).
 May 16. Commercial treaty with Japan ceased to be in force.

COLOMBIA

- 1933, May 25. Agreement signed with Peru regarding League Council's proposals for settlement of Leticia dispute (*L.N.T.S.* 138).
Dec. 15. Trade agreement signed with U.S.A.

COSTA RICA

- 1933, Jan. 12. Provisional commercial agreement of Dec. 21/23, 1932, came into force with Italy. June 14, commercial treaty signed. Ratifications exchanged Dec. 12, came into force same day (*R.I.I.C.* March and Sept. 1933).
Jan. 14. Exchange of notes with Germany of Jan. 5/14 putting commercial convention and protocol of Oct. 26, 1932, into force from March 1. Ratifications exchanged Nov. 7 (*R.* Feb. 28, 1933).
March 1. Exchange of notes with France effecting commercial *modus vivendi* provisionally in force from March 15 (Summary *R.I.I.C.* June 1933).
March 8. Exchange of notes with Great Britain of March 1, 2, 6, and 8 regarding commercial relations (Summary *R.I.I.C.* June 1933).
July 10. Industrial property agreement signed with France (*M.O.C.I.* Aug. 12, 1933).
Oct. 31. Arbitration and conciliation treaty signed with Italy.
Nov. 7. Ratifications exchanged with Germany of artistic, literary, and scientific property convention of Oct. 21, 1932. Came into force same day (*R.* Dec. 1, 1933).

CUBA

- 1932, Dec. 20. Parcel post convention signed with Dominican Republic. See also under CANADA, Oct. 5; CHILE, Jan. 14.

CZECHOSLOVAKIA

- 1932, Dec. 22. Compensation agreements signed with Hungary regarding (1) general imports; (2) coal; (3) protocol regarding importation of pigs and wood. Agreement also signed regarding visitors to Tatry in Slovakia, in force from Jan. 1, 1933. May 31, further agreement signed.
1933, Jan. 11. Ratifications exchanged with Italy of Trieste-Prague air service agreement of April 28, 1932. Jan. 15?, convention signed regarding Rome-Prague service. Feb. 1, ratifications exchanged of convention of May 10, 1932, regarding Portorose agreement of Nov. 23, 1921.
Feb. 8. Ratifications exchanged with Rumania of aviation agreement of March 1932.
Feb. 11. Ratifications exchanged with France of commercial agreement of Nov. 25, 1931, modifying convention of July 2, 1928. May 12, further agreement signed (*R.I.I.C.* Sept. 1933).
Feb. 16. Little Entente pact of organization signed with Yugoslavia and Rumania. Ratifications exchanged May 30 (*L.N.T.S.* 139).
Feb. 17. Additional protocol signed to railway convention with Poland of May 30, 1927. Ratifications exchanged Nov. 14.

CZECHOSLOVAKIA: *cont.*

- 1933, Feb. 28. Import quotas agreement put into force by exchange of notes with Rumania.
- March 6. Ratifications exchanged with Turkey of extradition and civil procedure treaties of Aug. 22, 1930.
- March 16. Ratifications exchanged with France of aviation convention of May 26, 1925, and protocol of June 25, 1930.
- March 25. Ratifications exchanged with Germany of agreement of Sept. 19, 1932, regarding notifiable diseases. Came into force same day (*R.* March 31, 1933).
- March 27. Ratifications exchanged with Switzerland of second additional protocol of June 27, 1932, modifying commercial treaty of Feb. 16, 1927. Came into force July 12 (*R.d.L.F.* April 12, 1933).
- April 20, ratifications exchanged of third protocol of Oct. 27, 1932 (*R.d.L.F.* May 3, 1933). Dec. 2, further agreement signed.
- April 11. Commercial payments convention signed with Germany.
- May 2. Commercial agreement with Denmark of July 4, 1932, modifying agreement of April 18, 1925, came into force. July 26, further agreement signed.
- May 8. Fourth additional agreement to commercial convention of June 29, 1920, signed with Germany. Came into force provisionally May 22 (*R.* May 18, 1933). Aug. 21, fifth agreement signed. Came into force provisionally Sept. 1 (*R.* Aug. 26, 1933). Nov. 25, exchange of notes concluding further agreement (*R.* Dec. 1, 1933).
- Dec. 4, ratifications exchanged of second additional agreement of Aug. 27, 1932. Came into force Dec. 14 (*R.* Aug. 31, 1932).
- May 8. Exchange of notes with Great Britain of April 18/May 8 extending judicial convention of Nov. 11, 1924, to Southern Rhodesia as from May 18 (*L.N.T.S.* 138). Extended to Australia and dependencies as from Nov. 9.
- May 27. Ratifications exchanged with Hungary of Danube police convention of Nov. 14, 1928 and protocol of Jan. 30/March 10, 1931.
- June 20. Agreement signed with Italy regarding Italian wines. Came into force July 1.
- July 10. Denunciation by Poland with effect on Oct. 10 of (1) commercial convention of April 23, 1925; (2) additional protocols of July 3, 1925, April 21, 1926, Feb. 9, 1928, and June 26, 1928; (3) exchange of notes of Jan. 12, 1931; (4) agreement of Feb. 21, 1930, regarding commercial travellers; (5) railway tariffs agreement of April 23, 1925. Oct. 6, commercial *modus vivendi* concluded, prolonging agreements till Jan 31, 1934.
- July 22. Ratifications exchanged with Germany of patents convention of April 20, 1931 (*R.* Aug. 12, 1933).
- Oct. 10. Ratifications exchanged with Germany of treaty of Jan. 31, 1930, regarding frontier waters and exchange of territory (*R.* Jan. 12, 1934).
- Oct. 11. Arbitration convention signed with Latvia.
- Oct. 26. Coal agreement signed with Germany. Nov. 16. Ratifications exchanged of social insurance convention of March 21, 1931. Came into force Dec. 1 (*R.* Dec. 15, 1933).

CZECHOSLOVAKIA: *cont.*

1933, Nov. 27. Protocol signed with Italy additional to commercial treaty of March 23, 1921 (Summary *R.I.I.C.* March 1934).

See also under ALBANIA, Nov. 29; AUSTRIA, Jan. 18, April 14, May 16; BELGIUM, May 1; BULGARIA, July 27?; CHILE, July 1.

DANZIG

1933, Feb. 28. Poland denounced foodstuffs agreement of March 4, 1930, with effect from Aug. 28. April 8, exchange of notes regarding taxation convention of May 29, 1929. Aug. 5, agreement signed regarding Polish use of Danzig harbour (*L.N.O.J.* Oct. 1933). Sept. 18, two protocols signed regarding (1) harbour agreement, (2) treatment of Poles in Danzig (*L.N.O.J.* Oct. and Nov. 1933).

See also under GERMANY, June 16; POLAND, Jan. 20/26.

DENMARK

1932, Dec. 9/28. Postal convention signed with U.S.A. (*L.N.T.S.* 140).

1933, Jan. 1. Finland denounced public assistance convention of Oct. 25, 1928, between Denmark, Finland, Norway, and Sweden as from Jan. 1.

Jan. 1. Exchange of notes with Iceland and Sweden of Oct. 29, 1932, abrogating declaration of Aug. 10, 1883, regarding assistance for seamen, came into force (*L.N.T.S.* 130). Passport agreement of Dec. 27, 1932, came into force with Sweden.

Jan. 25. Exchange of notes with Poland regarding Hague civil procedure convention of July 17, 1905 (*L.N.T.S.* 136).

March 18. Ratifications deposited by Denmark, Finland, Iceland, Norway, and Sweden of treaty of March 16, 1932, regarding civil judgements. Came into force June 1 (*L.N.T.S.* 139). Exchange of notes with Sweden abrogating convention of April 25, 1861, regarding execution of judgements (*L.N.T.S.* 134).

April 11. Exchange of notes with Germany regarding commercial agreement of March 20, 1926. Came into force provisionally same day. May 26/30, exchange of notes regarding Danish cheese (*L.N.T.S.* 138). Aug. 14, commercial agreement concluded, in force provisionally from Aug. 17 (*R.* Aug. 22, 1933).

April 11. New Zealand withdrew from Anglo-Danish friendship and commerce treaties of Feb. 13, 1660/1661 and July 11, 1670, as from April 11.

April 24. Commercial agreement and protocol signed with Great Britain. May 17, exchange of notes. Ratifications exchanged June 20 (*Cmd.* 4424). May 12. Ratifications exchanged of civil and commercial procedure convention, of Nov. 29, 1932 (*Cmd.* 4334). June 26/July 5, exchange of notes extending convention to Scotland and Northern Ireland as from July 26. Sept. 5/13, exchange of notes for extension to Southern Rhodesia as from Oct. 5. Oct. 25/30, exchange of notes with New Zealand extending convention as from Nov. 25 (*L.N.T.S.* 139).

May 22. Ratifications exchanged with Norway and Sweden of convention of Dec. 31, 1932, regarding plaice fishery in the Skagerrak,

DENMARK: *cont.*

- Kattegat, and Sound, and with Sweden of fisheries convention of Dec. 31, 1932. Both conventions came into force June 22 (*L.N.T.S.* 139).
- 1933, June 9. Exchange of notes with Germany of May 20/31 and June 9 abrogating as from June 30 the declaration of March 31, 1885, regarding assistance to seamen as between Denmark, Iceland, and Germany (*L.N.T.S.* 134).
- July 8. Agreement signed with Norway regarding communications between Hirtshals and Kristiansand (*Ov.F.S.* No. 6, 1933).
- Aug. 16. Exchange of notes with Sweden regarding identity papers for American and Canadian citizens of Danish and Swedish origin (*S.O.F.M.* No. 19, 1933).
- Sept. 26. Agreement signed with Norway and Sweden on Sept. 6, 21, and 26 amending postal agreement of May 14, 1930 (*Ov.F.S.* No. 8, 1933).
- Nov. 11. Exchange of notes with Norway regarding identity papers for American and Canadian citizens of Danish and Norwegian origin (*L.N.T.S.* 140).
- Nov. 11. Parcel post agreement signed on Oct. 13/Nov. 11 with U.S.A.
- Dec. 18. Ratifications exchanged with Turkey of arbitration, conciliation and judicial settlement treaty of March 8, 1932.
- See also under AUSTRIA, May 16; BELGIUM, March 14; CZECHOSLOVAKIA, May 2.

DOMINICAN REPUBLIC

- 1933, Oct. 7. Ratifications exchanged with Spain of artistic, literary, and scientific property convention of Nov. 4, 1930.
- See also under CUBA.

ECUADOR

- 1933, July 27. Commercial payments agreement concluded with France in force from Aug. 4 (*M.O.C.I.* Aug. 26, 1933).

EGYPT

- 1933, Feb. 16/19. Exchange of notes with Great Britain extending provisional commercial agreement of June 5/7, 1930, till Feb. 16, 1934 (*L.N.T.S.* 134). Similar exchange of notes with Irish Free State (*L.N.T.S.* 137).
- Nov. 21. Ratifications exchanged with Uruguay of friendship treaty of Feb. 25, 1932.

ESTONIA

- 1933, Jan. 13. Exchange of notes with Turkey of Oct. 17, 1932, and Jan. 13, 1933, abrogating part of commercial agreement of Sept. 16, 1930 (*L.N.T.S.* 130).
- Jan. 26. Ratifications exchanged with Latvia of commercial agreement of Nov. 14, 1932.
- Feb. 14/17. Exchange of notes with New Zealand regarding accession

ESTONIA: *cont.*

of that country to Anglo-Estonian civil procedure convention of Dec. 22, 1931, as from March 14. Amended by exchange of notes of April 20/27 (*L.N.T.S.* 134 and 138). April 25/27, exchange of notes with Great Britain extending convention to Southern Rhodesia (*L.N.T.S.* 134). Sept. 11/20 and 26/27, exchanges of notes regarding extension to British colonies, protectorates, and mandated territories and to Ascension and St. Helena as from Oct. 11 and 25. Further extended to Australia and dependencies as from Nov. 26.

1933, Feb. 22. Exchange of notes with Greece modifying commercial treaty of Jan. 4, 1927.

March 8. Extradition convention signed with Netherlands.

April 21. Convention signed with Latvia and U.S.S.R. regarding revocation of railway treaty of Oct. 29, 1925.

April 27. Commercial agreement signed with France additional to convention of March 15, 1929. Came into force provisionally July 6.

July 27, further agreement signed (*J.O.F.* July 4 and Aug. 6, 1933).

May 16. Commercial payments protocol signed with Finland. Dec. 30, protocol signed regarding prolongation of agreement.

May 17. Protocol signed with Lithuania modifying commercial agreement of Jan. 15, 1931. Dec. 14, Commercial treaty signed.

July 15. Commercial agreement concluded with Great Britain by exchange of notes. Came into force July 22 (*Cmd.* 4392).

Sept. 26. Veterinary convention signed with Poland.

Oct. 31. Ratifications exchanged with Spain of commercial convention of June 23, 1932 (*R.I.I.C.* Sept. 1933).

FINLAND

1933, Jan. 5. Convention signed with U.S.S.R. modifying railway convention of June 18, 1924.

Jan. 11. Convention signed on Jan. 4, 7, and 11 with Norway and Sweden regarding Åbo hamn-Stockholm railway.

Jan. 27. Ratifications exchanged with France of conciliation treaty of April 28, 1930. Came into force Feb. 27 (*L.N.T.S.* 139).

Feb. 16. Three declarations signed with Sweden regarding timber rafts and fishing in Torneå and Muonio rivers. Ratifications exchanged April 1 (*S.O.F.M.* Nos. 7-9, 1933).

Feb. 20. Commercial agreement signed with France additional to convention of July 13, 1921. Aug. 21, further agreement concluded by exchange of notes (*R.I.I.C.* June and Dec. 1933).

Feb. 21. Extradition agreement signed with Netherlands. Ratifications exchanged May 24, came into force June 24 (*L.N.T.S.* 139).

Feb. 21. Ratifications exchanged with Persia of friendship treaty of Dec. 12, 1931.

April 13. Commercial agreement signed with Germany modifying convention of Aug. 28, 1930. Came into force provisionally May 10 (*R.* May 4, 1933). May 17, further agreement concluded by exchange of notes, in force provisionally from June 1 (*R.* May 31, 1933). Nov. 1. Germany denounced commercial treaty of June 26,

FINLAND: *cont.*

- 1926, and agreements of Aug. 28, 1930, Feb. 18, 1932, Oct. 22, 1932, April 13, 1933, and May 17, 1933, as from Dec. 31.
- 1933, May 22. Tonnage certificates convention signed with Netherlands (*S. No. 353, 1933*).
- July 3/10. Exchange of notes with Luxembourg waiving passport-visas.
- Aug. 11. Civil and commercial procedure convention signed with Great Britain (*Cmd. 4507*).
- Aug. 24. Ratifications exchanged with Hungary of liquor smuggling convention of Nov. 23, 1932. Came into force Sept. 24 (Summary *R.I.I.C. Dec. 1933*).
- Sept. 29. Trade agreement signed with Great Britain. Ratifications exchanged Nov. 20 (*Cmd. 4472*).
- Oct. 2. Agreement signed on Sept. 26 and Oct. 2, amending postal agreement of May 14, 1930, with Sweden.
- Oct. 13. Liquor smuggling convention signed with Great Britain. Came into force same day (*Cmd. 4436*). Nov. 4. Parcel post agreement signed on Oct. 17 and Nov. 4 (Summary *R.I.I.C. March 1934*).
- Dec. 19. Commercial agreement signed with Turkey (*R.I.I.C. March 1934*).
- See also under BRAZIL, Jan. 9; CANADA, March 31; DENMARK, Jan. 1, March 18; ESTONIA, May 16.

FRANCE

- 1933, Jan. 1. Judicial agreement with Great Britain of Feb. 2, 1922, extended to French colonies, protectorates, and mandated territories as from Jan. 1.
- Jan. 4. Commercial payments agreement with Germany of Dec. 24, 1932, came into force. March 10, further agreement signed (*R.I.I.C. March and June 1933*). Oct. 28. Exchange of notes regarding film trade (Summary *R.I.I.C. Dec. 1933*).
- Jan. 27. Compensation agreement signed with Jugoslavia (*M.O.C.I. Feb. 1, 1933*).
- Jan. 31. Exchange of notes with Persia prolonging provisional agreement of May 11, 1928. Further prolonged by exchange of notes of July 31.
- Feb. 1. Commercial agreement of Dec. 28, 1932, additional to agreement of Aug. 17, 1927, came into force provisionally with Germany. Ratifications exchanged Oct. 25 (*R. Jan. 25, 1933*). Feb. 11. Germany denounced certain provisions of agreements as from March 1 (*R. Feb. 27, 1933*). June 12, exchange of notes, in force provisionally from June 30 (*R. June 28, 1933*). Aug. 2, Germany denounced certain provisions as from Aug. 16 (*R. Sept. 2, 1933*). Further denunciations by France on Aug. 22 as from Sept. 5 (*R. Aug. 26, 1933*), and by Germany on Sept. 15 as from Oct. 1 (*R. Sept. 22, 1933*). Oct. 28, exchange of notes regarding importation of salt into Germany (*R. Nov. 2, 1933*).
- Feb. 1. Commercial agreement came into force with Germany

FRANCE: *cont.*

- modifying agreement of Feb. 23, 1928, regarding Saar. Ratifications exchanged Oct. 20 (*R.* Jan. 25, 1933).
- 1933, Feb. 15. Ratifications exchanged with U.S.S.R. of non-aggression and conciliation treaties of Nov. 29, 1932 (*E.N.* Dec. 3, 1932).
- Feb. 20. Declaration signed with Greece regarding exchange of civil status records.
- Feb. 28. Commercial payments convention signed with Hungary, replacing convention of March 4, 1932, as from March 6 (*M.O.C.I.* March 11, 1933).
- Feb. 28. Exchange of notes with Spain of Feb. 17/28 regarding law of landlord and tenant.
- March 1. Ratifications exchanged with Lithuania of consular convention of Feb. 11, 1928, and civil procedure and extradition conventions of May 9, 1928.
- March 3. Commercial agreement signed with Hungary, additional to convention of Oct. 13, 1925, and agreement of Sept. 25, 1931. May 6, ratifications exchanged of agreements of Dec. 21, 1929, and March 3, 1933 (*M.O.C.I.* May 20, June 17, and July 1, 8, 15, and 22, 1933).
- March 4. Exchange of notes with U.S.A. of Feb. 28 and March 4 regarding interpretation of consular convention of Feb. 23, 1853. Came into force March 4 (*U.S.E.A.* No. 44).
- March 13. Exchange of notes with Sweden concluding commercial agreement in force provisionally from March 15 (*S.Ö.F.M.* No. 24, 1933).
- April 4. Exchange of notes with Norway concluding commercial agreement in force provisionally from April 7 (*M.O.C.I.* April 19, 1933). April 11. Exchange of notes of March 20 and April 11 regarding consular visa of health certificates for ships.
- April 16. Exchange of notes with Germany regarding residence of German nationals in Morocco.
- April 27. Exchange of notes with Great Britain of April 7/27, extending judicial convention of Feb. 2, 1922, to Southern Rhodesia as from May 7. Extended to French Guiana as from Aug. 1 and to Nauru as from Nov. 16.
- May 3. Ratifications exchanged with Italy of agreement of Feb. 13, 1931, regarding Modane and Ventimiglia railway stations. Came into force June 3 (*L.N.T.S.* 139).
- May 3. Portugal denounced commercial agreement of July 12, 1932, as from June 3 and on Aug. 1 denounced *modus vivendi* of March 4, 1925, and additional agreements as from Dec. 1.
- May 8. Commercial agreement signed with Italy additional to *modus vivendi* of March 4, 1932, came into force provisionally same day. July 28, further exchange of notes. Oct. 1, further agreement signed. Oct. 27, ratifications exchanged of *modus vivendi* (*M.O.C.I.* May 20, June 24, and Nov. 4, 1933).
- May 13. Ratifications exchanged with Turkey of arbitration, conciliation, and friendship treaty of Feb. 3, 1930 (*E.N.* July 8, 1933).
- May 19. Convention signed with Italy regarding motor traffic in frontier zone. May 30, exchange of notes prolonging establishment

FRANCE: *cont.*

- of *modus vivendi* of Dec. 3, 1927, till Dec. 1. Further prolonged by exchange of notes of Nov. 27.
- 1933, June 1. France denounced commercial convention with Switzerland of July 8, 1929, with effect from Dec. 1. Further prolonged till Feb. 1, 1934. July 31, Tariff agreement signed.
- June 3. Ratifications exchanged with Salvador of convention prolonging treaty of Jan. 9, 1901, for five years and of convention regarding certificates of origin both of Sept. 20, 1932.
- June 10. Commercial agreement signed with Yugoslavia additional to agreement of Nov. 7, 1931 (*R.I.I.C.* Sept. 1933).
- June 14. Exchange of notes with Spain regarding commercial arrangement of Oct. 23, 1931.
- June 24. Ratifications exchanged with Italy of double taxation convention of Oct. 3, 1932 (*M.O.C.I.* May 20, 1933).
- July 3. Commercial agreement signed with Greece additional to convention of March 11, 1929 (*M.O.C.I.* Sept. 23/30, 1933).
- July 15. Four-Power pact signed with Germany, Great Britain, and Italy (*Cmd.* 4342).
- July 27. Commercial *modus vivendi* and agreement regarding commercial payments signed with Turkey. Came into force Aug. 13 (*M.O.C.I.* Aug. 26/Sept. 2, 1933).
- July 29. Deportation agreement signed with Great Britain and India (*Cmd.* 4409).
- July 31. Ratifications exchanged with Switzerland of poor relief convention of Sept. 9, 1931. Came into force Nov. 1 (*R.d.L.F.* Aug. 16, 1933). Oct. 6/13 and 20, notes exchanged and agreement signed regarding convention (*R.d.L.F.* Nov. 22, 1933).
- Oct. 7. Telephone agreement between British and French mandated territories of Togoland signed on Aug. 2, Sept. 21, and Oct. 7.
- Oct. 27. Ratifications exchanged with Italy of convention of June 3, 1930, regarding execution of judgements, and of fiscal convention and agreement of June 16, 1930, and Nov. 16, 1931 (*M.O.C.I.* (1) Dec. 9, 1933; (2) Aug. 5, 1933).
- Nov. 9. Exchange of notes with Panamá of Oct. 19/Nov. 9 regarding commercial convention of May 30, 1892.
- Nov. 16. Friendship and alliance treaty signed with Syria, but rejected by Syrian parliament.
- Dec. 28. Ratifications exchanged with Spain of three labour and social insurance conventions of Nov. 2, 1932.
- See also under ALBANIA, Feb. 21; AUSTRIA, June 9; BELGIUM, March 28/29, July 15; BULGARIA, Jan. 16; CANADA, 1932, Oct. 19; 1933, May 12; CHILE, Jan. 27; CHINA, Feb. 8/12; COSTA RICA, March 1, July 10; CZECHOSLOVAKIA, Feb. 11, March 16, May 12; ECUADOR; ESTONIA, April 27; FINLAND, Jan. 27, Feb. 20.

GERMANY

- 1933, Jan. 2. Import quotas agreement concluded with Poland.
- Jan. 3. Judicial convention with Great Britain of March 20, 1928, extended to Australia and dependencies as from Jan. 3, 1933, by

GERMANY: *cont.*

exchange of notes of Dec. 3/18, 1932, and to Southern Rhodesia as from May 8 by exchange of notes of April 8/27 (*L.N.T.S.* 130 and 134).

1933, Jan. 6. Exchange of notes with Mexico of Dec. 15, 1932/Jan. 6, 1933, regarding visiting warships.

Jan. 9. Commercial payments protocol signed with Norway.

Jan. 13. Aviation agreement signed with Hungary.

Jan. 17. Exchange of notes with Spain regarding tariff on tomatoes.

Feb. 18, further commercial agreement signed (*R.* Jan. 20 and Feb. 27, 1933).

Jan. 18. Commercial treaty signed with Uruguay (Summary *R.I.I.C.* June 1933).

Feb. 8. Compensation agreement signed with Rumania (Summary *R.I.I.C.* March 1933).

Feb. 15. Denunciation of commercial treaty with Sweden of May 14, 1926, and agreements of Dec. 11, 1928, and Nov. 30, 1929, with effect from Dec. 15. Dec. 6, exchange of notes effecting commercial agreement (*R.* Dec. 15, 1933).

Feb. 28. Exchange of notes with Great Britain regarding reciprocal extradition of criminals between Germany and Transjordan. Came into force same day (*R.* March 28, 1933).

March 1. Agreement signed with Italy for admittance of workers wishing to improve their professional or linguistic knowledge.

March 3. Exchange of notes with Norway of Feb. 9/March 3 regarding seamen's passports (*L.N.T.S.* 138).

March 3. Commercial agreement signed with Switzerland additional to agreement of Nov. 5, 1932. Came into force provisionally March 13, ratifications exchanged Nov. 22 (*R.* March 10, 1933). March 28, further exchange of notes. Oct. 31, second additional agreement signed, in force provisionally from Nov. 10 (*R.* Nov. 10, 1933). Dec. 6 and 20, third and fourth agreements signed, in force provisionally from Dec. 16 and Jan. 1, 1934 (*R.* Dec. 15 and 30, 1933).

March 8. Tourist traffic protocol signed with Italy.

March 14. Extradition treaty and protocol signed with Uruguay.

April 8. Commercial protocol signed with Italy additional to treaty of Oct. 31, 1925. Came into force provisionally April 15, ratifications exchanged Oct. 6 (*R.* April 13, 1933). June 9, further agreement signed, provisionally in force from July 1 (*R.* June 28, 1933). Oct. 6, ratifications exchanged of agreement of March 3, 1932 (*R.* April 1, 1932). Dec. 12, further agreement concluded by exchange of notes, provisionally in force from Dec. 21 (*R.* Dec. 19, 1933).

April 27. Ratifications exchanged with Guatemala of patents convention of Aug. 13, 1930 (*R.* April 15, 1931).

April 27. Treaty signed with Netherlands modifying commercial treaty of Nov. 26, 1925. Came into force provisionally May 10, ratifications exchanged Dec. 29. Dec. 15, merchandise exchange convention signed (*R.* May 4 and Dec. 21, 1933).

May 3. Exchange of notes with Great Britain of April 13/May 3 effecting commercial agreement in force from May 8. July 7,

GERMANY: *cont.*

- exchange of notes regarding British imports of fish (*Cmd.* 4319 and 4378).
- 1933, May 5. Ratifications exchanged with U.S.S.R. of agreement of June 24, 1931, prolonging agreements of April 24, 1926, and Jan. 25, 1929 (*Soviet Union Review*, June 1933).
- May 19. Frontier traffic agreement signed with Switzerland. Ratifications exchanged, Dec. 11 (*R.* May 24, 1933).
- June 16. Ratifications exchanged with Danzig and Poland of railway traffic agreement of Nov. 21, 1930. Came into force July 1 (*L.N.T.S.* 139).
- June 22. Agreement signed with Saar on May 11/June 22 modifying social services agreement of Dec. 8, 1925, and March 27, 1926.
- June 23/28. Agreement signed with Netherlands regarding international goods traffic convention of Oct. 23, 1924. Came into force July 1 (*S.* No. 452, 1933).
- July 20. Concordat signed with Vatican. Ratifications exchanged and came into force Sept. 10 (*E.N.* Sept. 23, 1933).
- July 22. Commercial agreement signed with Hungary additional to treaty of July 18, 1931. Came into force Aug. 15. Oct. 30, exchange of notes regarding German imports of cheese (*R.* Aug. 12 and Nov. 2, 1933).
- July 26. Agreement of Sept. 6, 1932, regarding performance of marriages by diplomatic and consular representatives came into force with Sweden (*R.* Aug. 22, 1933).
- July 29. Exchange of notes with Yugoslavia effecting commercial agreement in force provisionally from Aug. 1. Sept. 14, additional agreement concluded by exchange of notes and came into force provisionally from Sept. 24 (*R.* Aug. 4 and Sept. 22, 1933). Nov. 10, further agreement signed, provisionally in force from Nov. 15 (*R.* Nov. 15, 1933).
- Aug. 1. Amendments to judicial convention of Oct. 30, 1928, came into force with Lithuania (*R.* July 28, 1933).
- Aug. 11. Ratifications exchanged with Poland of social insurance treaty of June 11, 1931. Came into force Sept. 1 (*R.* Sept. 14, 1933).
- Aug. 17. Compensation agreement signed with Turkey (Summary *R.I.I.C.* Sept. 1933).
- Aug. 24. Ratifications exchanged with Poland of convention of Dec. 1, 1931, with exchange of notes of May 31, 1932, regarding Mixed Arbitral Tribunal. Came into force same day (*R.* Oct. 13, 1933).
- Aug. 31. Motor traffic convention concluded with Luxembourg.
- Aug. 31. Exchange of notes with U.S.A. of Aug. 27/Sept. 5, 1931, regarding customs inspection at sea, came into force (*R.* Sept. 14, 1933).
- Sept. 30. Ratifications exchanged with Poland of agreement of Dec. 15, 1931, regarding convention of June 22, 1922, concerning Upper Silesia mines. Oct. 3, agreement reached modifying social insurance agreement of June 11, 1931 (*R.* Jan. 11, 1934).
- Oct. 6. Commercial payments agreement signed with Portugal.

GERMANY: *cont.*

1933, Nov. 15. Rye agreement signed with Poland, in force from Dec. 15. Dec. 1, ratifications exchanged of frontier traffic agreement of Dec. 22, 1931, replacing agreement of Dec. 30, 1924, as from Jan. 1, 1934 (*R. Dec. 4, 1933*).

See also under AUSTRIA, Jan. 1, Feb. 1, May 16, Nov. 14; BELGIUM, Jan. 4, March 24, June 15, Sept. 16, Nov. 22; BRAZIL, June 12/14; BULGARIA, Feb. 3; CANADA, Jan. 1; CHILE, April 22; COSTA RICA, Jan. 14, Nov. 7; CZECHOSLOVAKIA, March 25, April 11, May 8, July 22, Oct. 10, Oct. 26; DENMARK, April 11, June 9; FINLAND, April 13; FRANCE, Jan. 4, Feb. 1, April 16, July 15.

GREAT BRITAIN

See under ARGENTINA, May 1; AUSTRIA, 1932, Dec. 14; 1933, Jan. 14, April 30, July 27; BELGIUM, April 7, Nov. 20; CHINA, 1932, April 28; 1933, Feb. 8/12; COSTA RICA, March 8; CZECHOSLOVAKIA, May 8; DENMARK, April 11, April 24; EGYPT, Feb. 16/19; ESTONIA, Feb. 14/17, July 15; FINLAND, Aug. 11, Sept. 29, Oct. 13; FRANCE, Jan. 1, April 27, July 15, July 29, Oct. 7; GERMANY, Jan. 3, Feb. 28, May 3; GREECE, April 13/21, Aug. 2; ICELAND, May 19; IRÂNQ, Jan. 25; ITALY, April 26, May 5, Nov. 22; LATVIA, July 6; MASCAT; NETHERLANDS, May 31, July 17; NORWAY, Jan. 1, April 12/22, May 15; PANAMÁ, May 24/31; PERSIA, Jan. 23; POLAND, April 3/27; PORTUGAL, 1932, Jan. 20; 1933, April 25, Oct. 14; RUMANIA, Sept. 25; SALVADOR, Aug. 23; S. AFRICA, Aug. 27; SPAIN, April 10/29; SWEDEN, Jan. 4, April 19; TURKEY, April 12; U.S.S.R., April 17.

GREECE

1933, Jan. 9. Postal agreement signed with Turkey.

Jan. 14. Ratifications exchanged with Italy of agreement of Jan. 15, 1932, regarding double taxation of shipping profits.

March 13. Commercial payments agreement signed with Switzerland and Liechtenstein (*R.d.L.F.* March 22, 1933).

April 13/21. Exchange of notes with Great Britain regarding seamen's passports (*Cmd.* 4345).

April 28. Exchange of notes with Norway of April 5/28 regarding consular visas of ships' health certificates.

May 9. Commercial agreement signed with Turkey. Came into force June 1 for six months (*O.M.* June 1933).

May 12. Ratifications exchanged with Spain of arbitration, conciliation, and judicial settlement treaty of Jan. 23, 1930 (*L.N.T.S.* 139).

June 8. Compensation agreement signed with Hungary regarding tobacco trade (Summary *R.I.I.C.* Sept. 1933).

July 20. Compensation agreement signed with Yugoslavia replacing agreement of Sept. 22, 1932 (Summary *R.I.I.C.* Dec. 1933).

Aug. 1. Parcel post agreement signed with U.S.A. on July 14/ Aug. 1.

Aug. 2. Commercial treaty with Great Britain of July 16, 1926,

GREECE: *cont.*

- extended to Kenya as from Aug. 2. Extended to Uganda as from Aug. 5 and to Somaliland as from Oct. 13 by exchanges of notes of Aug. 5/9 and Oct. 12/23.
- 1933, Sept. 8. Compensation agreement signed with Italy regarding tobacco trade (Summary *R.I.I.C.* Dec. 1933).
- Sept. 8. Compensation agreement signed with U.S.S.R. Came into force Sept. 11 (Summary *R.I.I.C.* Dec. 1933).
- Sept. 14. Friendship and co-operation pact signed with Turkey (*O.M.* Oct. 1933).
- Sept. 15. Compensation agreement signed with Rumania (*R.I.I.C.* Dec. 1933).
- Nov. 6. U.S.A. denounced extradition treaty of May 6, 1931 (*U.S.T.S.* 855).
- Nov. 9. Commercial payments agreement signed with Norway (*R.I.I.C.* March 1934).
- See also under ALBANIA, June 26; AUSTRIA, Sept. 15; BELGIUM, July 25; BRAZIL, May 15; ESTONIA, Feb. 22; FRANCE, Feb. 20, July 3.

GUATEMALA

- 1933, Jan. 23. Frontier agreement signed with Honduras (*L.N.T.S.* 137).
- See also under GERMANY, April 27.

HAITI

- 1933, Aug. 7. Treaty signed with U.S.A. regarding 'Haitianization' and financial questions (*U.S.E.A.* No. 46).

HONDURAS

- See under GUATEMALA.

HUNGARY

- 1933, Feb. 25. Exchange of notes with Switzerland prolonging commercial payments agreements of Nov. 14, 1931, and June 28, 1932, from March 1 till March 31. Further prolonged till May 15 and Oct. 31 (*R.* Sept. 6, 1933), and to Jan. 31, 1934.
- March 1. Commercial payments agreement with Rumania of Oct. 1, 1932, denounced by Hungary as from March 1. March 31, further agreement signed. Sept. 3, compensation agreement signed regarding Rumanian exports of wood and oil (Summary *R.I.I.C.* Sept. 1933).
- May 15. Agreement signed and came into force with Yugoslavia regarding compensation and import quotas (Summary *R.I.I.C.* Sept. 1933).
- June 13. Ratifications exchanged with Italy of five financial conventions of Nov. 12, 1932.
- June 15. Exchange of notes with Persia prolonging provisional agreement of June 19, 1929, till Sept. 19.
- Aug. 1. Commercial convention signed with Turkey, came into force Aug. 15.

HUNGARY: *cont.*

- 1933, Sept. 28. Ratifications exchanged with Italy of aviation convention of July 5, 1932.
Oct. 22. Protocol signed with Turkey prolonging arbitration and neutrality treaty of Jan. 5, 1929, for five years.
Oct. 23. Ratifications exchanged with Rumania of frontier stations convention of Sept. 28, 1932.
Dec. 18. Ratifications exchanged with Italy of commercial payments agreement of July 11, 1932 (*R.I.I.C.* Sept. 1932).
See also under AUSTRIA, Jan. 1, Feb. 27, May 16; BELGIUM, May 24; CZECHOSLOVAKIA, 1932, Dec. 22; 1933, May 27; FINLAND, Aug. 24; FRANCE, Feb. 28, March 3; GERMANY, Jan. 13, July 22; GREECE, June 8.

ICELAND

- 1933, April 13. Fisheries convention of Sept. 17, 1932, came into force with Norway (*Ov.F.S.* No. 4, 1933).
May 19. Commercial agreement signed with Great Britain and put into force by exchange of notes of June 24/28 (*Cmd.* 4331).
See also under DENMARK, Jan. 1, March 18, June 9.

INDIA

- 1933, April 10. Commercial treaty with Japan of Aug. 29, 1904, denounced with effect from Oct. 10. Oct. 7, exchange of notes prolonging treaty till Nov. 11.
See also under FRANCE, July 29; PERSIA, Jan. 23; PORTUGAL, 1932, Jan. 20.

IRISH FREE STATE

- See under CANADA, Jan. 2; EGYPT, Feb. 16/19.

IRĀQ

- 1933, Jan. 25. Ratifications exchanged with Great Britain of extradition treaty of May 2, 1932. Extended to North Borneo as from Dec. 19 (*Cmd.* 4317).
March 14. Exchange of notes with Norway of Feb. 21/March 14 effecting commercial agreement (*L.N.T.S.* 138).
June 21. Ratifications exchanged with Turkey of extradition and establishment conventions of Jan. 9, 1932 (*L.N.T.S.* 139).

ITALY

- 1933, Jan. 3. Convention signed with Switzerland for the recognition and execution of judicial decisions. Ratifications exchanged Sept. 6, came into force Oct. 6 (*R.d.L.F.* Oct. 11, 1933).
Jan. 7. Exchange of notes with Rumania prolonging friendship treaty of Sept. 9, 1926, till July 18. July 17, exchange of notes prolonging treaty till Jan 18, 1934. Jan. 19, exchange of notes putting certificates of origin agreement of Feb. 25, 1930, in force from Jan. 21.
Feb. 18. Ratifications exchanged with Panama of extradition treaty of Aug. 7, 1930 (*L.N.T.S.* 140).

ITALY: *cont.*

- 1933, Feb. 25. Exchange of notes with Rumania prolonging commercial treaty of Feb. 25, 1930, till June 30. Further prolonged till Nov. 30. Aug. 26, additional protocol signed to treaty.
- April 26. Ratifications exchanged with Great Britain of Somaliland claims agreement of Sept. 2, 1930 (*Cmd.* 4329).
- April 29. Exchange of notes with Salvador extending friendship treaty of Oct. 27, 1860, till Dec. 31. Dec. 23, exchange of notes regarding further prolongation.
- May 5. Exchange of notes with Great Britain of April 18/May 5 extending judicial convention of Dec. 17, 1930, to Southern Rhodesia as from May 18 (*L.N.T.S.* 138). Extended to Australia and dependencies as from Nov. 9.
- May 6. Tariff and credit guarantee conventions signed with U.S.S.R. (*R.I.I.C.* Sept. 1933).
- June 9. Ratifications exchanged with Vatican of civil records convention of Sept. 6, 1932.
- June 16. Exchange of notes with Yugoslavia of May 12/June 16 prolonging commercial treaty of July 14, 1924, and agreement of April 25, 1932.
- July 10. Exchange of notes with Persia regarding industrial property.
- July 15. Netherlands denounced aviation agreement of Oct. 2/3, 1931, as from July 15.
- July 19. Money order convention signed with South Africa on June 8/July 19.
- Aug. 10. Ratifications exchanged with Spain of commercial convention of March 15, 1932.
- Sept. 2. Pact of friendship, non-aggression, and neutrality signed with U.S.S.R. Ratifications exchanged Dec. 15 (*Soviet Union Review*, Oct. 1933).
- Sept. 14. Exchange of notes with Latvia modifying consular convention of May 11, 1932.
- Oct. 12. Exchange of notes with Switzerland concluding aviation *modus vivendi*. Came into force same day (*R.d.L.F.* Nov. 22, 1933).
- Oct. 16. Turkey denounced commercial *modus vivendi* of Aug. 3, 1929, as from April 16, 1934.
- Oct. 20. Ratifications exchanged with Luxembourg of conciliation and judicial settlement convention of April 15, 1932.
- Oct. 30. Agreement signed with Poland regarding loan of March 10, 1924. Ratifications exchanged, Dec. 30.
- Nov. 22. Exchange of notes with Great Britain regarding boundary between Kenya and Italian Somaliland (*Cmd.* 4491).
- Dec. 30. Protocol signed with Switzerland additional to commercial treaty of Jan. 27, 1923 (Summary *R.I.I.C.* March 1934).
- See also under ARGENTINA, Sept. 27; AUSTRIA, Feb. 16, May 16, Aug. 11, Oct. 3; BELGIUM, Jan. 1, Feb. 4; COSTA RICA, Jan. 12, Oct. 31; CZECHOSLOVAKIA, Jan. 11, June 20, Nov. 27; FRANCE, May 3, May 8, May 19, June 24, July 15, Oct. 27; GERMANY, March 1, March 8, April 8; GREECE, Jan. 14, Sept. 8; HUNGARY, June 13, Sept. 28, Dec. 18.

JAPAN

1933, Jan. 26. Exchange of notes with Netherlands regarding double taxation of shipping profits (*L.N.T.S.* 138). April 19. Arbitration, conciliation, and judicial settlement treaty signed (*S.* No. 610, 1933), May 9. Commercial agreement signed with Uruguay.
See also under CHINA, May 16; INDIA.

JUGOSLAVIA

1933, Jan. 1. Commercial agreement with Rumania of Aug. 4, 1930, prolonged till July 1 and Jan. 1, 1934.

Jan. 30. Conventions signed with Rumania regarding (1) archives; (2) deportation costs; (3) double taxation; (4) extradition; (5-6) financial questions; (7) frontier boundary marks; (8) nationality; (9) professional workers; (10) social insurance; (11) procès-verbal regarding passport visas. March 10, conventions signed regarding (12) administrative units divided by frontier; (13) Banat minority schools; (14) bank deposits; (15) pension funds; (16) Torontali-Helyierdeku Vasuti railway; (17) veterinary convention. March 11, agreements signed regarding (18) regimental property; (19) estates in frontier zone. Ratifications of all these agreements exchanged Sept. 26.

May 27. Ratifications exchanged with Poland of intellectual co-operation agreement of Dec. 2, 1931. Came into force June 27 (*L.N.T.S.* 139).

Aug. 29. Clearing agreement signed with Switzerland and Liechtenstein additional to agreements of April 27, 1932, and Nov. 2, 1932. Came into force Aug. 31 (*R.d.L.F.* Sept. 6, 1932).

Sept. 13. Ratifications exchanged with Turkey of opium agreement of April 14, 1932. Nov. 27, treaty signed regarding friendship, non-aggression, arbitration, conciliation, and judicial settlement (*E.N.* Jan. 13, 1934).

See also under AUSTRIA, May 16, Aug. 9; BELGIUM, Feb. 21, June 3; BRAZIL, Oct. 16; CZECHOSLOVAKIA, Feb. 16; FRANCE, Jan. 27, June 10; GERMANY, July 29; GREECE, July 20; HUNGARY, May 15; ITALY, June 16.

LATVIA

1933, May 15. Protocol signed with Lithuania prolonging frontier property convention of Jan. 25, 1931, till May 16, 1934.

July 6. Exchange of notes with Great Britain regarding commercial relations. Came into force July 15 (*Cmd.* 4384).

Oct. 19? Agreement signed with Poland regarding the press.

Dec. 1. Commercial agreement signed with Lithuania.

Dec. 4. Trade agreement signed with U.S.S.R.

See also under BRAZIL, Jan. 7; CZECHOSLOVAKIA, Oct. 11; ESTONIA, Jan. 26, April 21; ITALY, Sept. 14.

LIECHTENSTEIN

See under ABYSSINIA, May 24; BULGARIA, March 1; GREECE, March 13; JUGOSLAVIA, Aug. 29; RUMANIA, Jan. 12; SWITZERLAND, July 1.

LITHUANIA

1933, July 5. Non-aggression pact signed with U.S.S.R.

See also under AFGHANISTAN, April 12; BELGIUM, Jan. 7; ESTONIA, May 17; FRANCE, March 1; GERMANY, Aug. 1; LATVIA, May 15, Dec. 1.

LUXEMBOURG

1933, April 1. Establishment and labour treaty signed with Netherlands.

June 23/27. Exchange of notes with Portugal setting up conciliation commission.

Oct. 2. Ratifications exchanged with Norway of arbitration treaty of Feb. 12, 1932 (*Ov.F.S.* No. 8, 1933).

See also under BELGIUM, Jan. 4, Feb. 20, Feb. 21, March 24, March 28/29, May 1 *seqq.*, June 21, Sept. 6, Sept. 16, Nov. 23; FINLAND, July 3/10; GERMANY, Aug. 31; ITALY, Oct. 20.

MASCAT

1932, Oct. 27. South Africa (Natal, Orange Free State, and Transvaal) withdrew from friendship treaty of March 19, 1891, between Great Britain and Mascat. 1933, Feb. 11, exchange of notes with Great Britain prolonging treaty (*L.N.T.S.* 138).

MEXICO

1933, Feb. 1. Convention signed with U.S.A. regarding Rio Grande. Sept. 8, further exchange of notes.

Sept. 5. Agreement concluded with Spain regarding films damaging to either country.

See also under GERMANY, Jan. 6.

NETHERLANDS

1933, Jan. 1. Conventions with Norway and Sweden of March 7, 1911, and May 2, 1913, regarding assistance to seamen, ceased to be in force (*L.N.T.S.* 117 and *S.O.F.M.* No. 31, 1932).

Jan. 4. Agreement came into force with Rumania regarding certificates of origin.

Jan. 11. Ratifications exchanged with Spain of aviation treaty of Feb. 14, 1930. Came into force same day (*S.* No. 25, 1933). Jan. 27, ratifications exchanged of arbitration, conciliation, and judicial settlement treaty of March 30, 1931 (*S.* No. 42, 1933).

March 12. Friendship treaty signed with Yaman (*S.* No. 643, 1933).

March 23. Arbitration, conciliation, and judicial settlement treaty signed with Norway (*S.* No. 497, 1933).

April 5. Arbitration, conciliation, and judicial settlement treaty signed with Venezuela. Ratifications exchanged and came into force Dec. 19 (*S.* No. 813, 1933).

May 2/31. Exchange of notes with Great Britain respecting denunciation as from June 1 of airworthiness certificates agreement of March 7/May 5, 1930 (*L.N.T.S.* 134). June 29. Ratifications exchanged of civil procedure convention of May 31, 1932 (*Cmd.*

NETHERLANDS: *cont.*

4381). Exchanges of notes of Aug. 12/Oct. 28 and Aug. 25/Sept. 4 extending convention to Scotland as from Nov. 12 and to Northern Ireland as from Nov. 25.

1933, July 17. Parcel post convention between Great Britain and Northern Ireland and Netherlands East Indies signed on April 3/July 17.

Nov. 4. Ratifications exchanged with Turkey of arbitration treaty of April 16, 1932 (*S. No.* 631, 1933).

Dec. 11. Customs convention signed with Poland, provisionally in force from Dec. 15.

See also under AUSTRALIA, Sept. 19; BELGIUM, Feb. 20, Feb. 28, March 17; CHINA, Feb. 8/12, April 17; ESTONIA, March 8; FINLAND, Feb. 21, May 22; GERMANY, April 27, June 23/28; ITALY, July 15; JAPAN, Jan. 26; LUXEMBOURG, April 1.

NEW ZEALAND

1933, April 11. New Zealand withdrew from Anglo-Swedish commercial treaties of April 11, 1654, July 17, 1656, Oct. 21, 1661, Feb. 5, 1766, and March 18, 1826, as from April 11, and from Anglo-Norwegian commercial treaty of March 18, 1826, and Anglo-Swiss treaty (Arts. 9 and 10) of Sept. 6, 1855, as from April 15.

See also under AUSTRALIA, April 6; BELGIUM, Dec. 5; CANADA, May 24; DENMARK, April 11, April 24; ESTONIA, Feb. 14/17; PORTUGAL, 1932, Jan. 20; TURKEY, April 12.

NEWFOUNDLAND

See under CANADA, Oct. 5.

NORWAY

1932, Oct. 4. Ratifications exchanged with Persia, of friendship and commerce treaty of May 8, 1930 (*Ov.F.S. No.* 2, 1933).

1933, Jan. 1. Denunciation by Norway of agreement with Great Britain regarding assistance to seamen of July 12, 1881, took effect.

Feb. 7. Exchange of notes with Sweden regarding upkeep of frontier (*S.Ö.F.M. No.* 5, 1933). March 10, load line agreement signed (*S.Ö.F.M. No.* 4, 1933).

April 1. Ratifications exchanged with Turkey of establishment and commerce treaty of March 16, 1931. Came into force May 1 (*L.N.T.S.* 138).

April 12/22. Exchange of notes with Great Britain extending judicial convention of Jan. 30, 1931, to Southern Rhodesia as from May 12 (*L.N.T.S.* 134). Extended to Australia and dependencies as from Nov. 3.

May 15. Commercial agreement signed with Great Britain. Ratifications exchanged July 7 (*Cmd.* 4500).

May 29. Trade agreement signed with U.S.S.R.

July 4/8. Exchange of notes with Portugal setting up conciliation commission.

Aug. 22. Exchange of notes with Sweden regarding identity papers

NORWAY: *cont.*

for American and Canadian subjects of Norwegian and Swedish origin (*S.Ö.F.M.* No. 19, 1933). Oct. 9, exchange of notes regarding freedom from duty of sailors' Christmas presents (*Ov.F.S.* No. 8, 1933).

1933, Oct. 16. Exchange of notes with U.S.A. effecting three provisional aviation agreements (*U.S.E.A.*: Nos. 50-52).

See also under AUSTRIA, May 16, Sept. 3; BULGARIA, Dec. 5; CANADA, March 13; CHINA, Feb. 8/12; DENMARK, Jan. 1, March 18, May 22, July 8, Sept. 26, Nov. 11; FINLAND, Jan. 11; FRANCE, April 4; GERMANY, Jan. 9, March 3; GREECE, April 28, Nov. 9; ICELAND, April 13; IRAQ, March 14; LUXEMBOURG, Oct. 2; NETHERLANDS, Jan. 1, March 23; NEW ZEALAND.

PANAMA

1933, March 25. Ratifications exchanged with U.S.A. of liquor traffic convention of March 14, 1932, and of claims convention of Dec. 17, 1932 (*U.S.T.S.* 860 and 861).

May 24/31. Exchange of notes with Great Britain regarding commercial travellers.

See also under FRANCE, Nov. 9; ITALY, Feb. 18.

PARAGUAY

1933, Oct. 25. Exchange of notes with Spain prolonging commercial *modus vivendi* of Feb. 18, 1927.

PERSIA

1933, Jan. 23. Ratifications exchanged with Great Britain and India of agreement of Feb. 17, 1932, regarding withdrawal of Indo-European Telegraph Department (*Cmd.* 4275).

See also under AUSTRIA, Feb. 10; FINLAND, Feb. 21; FRANCE, Jan. 31; HUNGARY, June 15; ITALY, July 10; NORWAY, 1932, Oct. 4.

PERU

See under CHILE, 1932, Oct. 31; 1933, June 16; COLOMBIA, May 25.

POLAND

1933, Jan. 20/26. Exchange of notes with Portugal regarding accession of Danzig as from Feb. 7 to tonnage measurement agreement of Aug. 27, 1930 (*L.N.T.S.* 134).

Jan. 27. Commercial exchange agreement with U.S.S.R. prolonged for two years from Jan. 27.

April 3/27. Judicial convention with Great Britain of Aug. 26, 1931, extended to certain British colonies, protectorates, and mandated territories as from May 3 and to Southern Rhodesia and Tonga Islands as from May 11 by exchanges of notes of April 3/27 and 11/25 (*L.N.T.S.* 134). Also extended to Australia and dependencies as from Dec. 8.

June 3. Convention signed with U.S.S.R. regarding frontier incidents. Sept. 20, notifications exchanged regarding entry into force.

POLAND: *cont.*

- 1933, June 9. Ratifications exchanged with U.S.A. of friendship, commerce, and consular rights treaty of June 15, 1931 (*L.N.T.S.* 139).
 June 20. Convention signed with U.S.S.R. regarding floating of timber in frontier waters.
 Aug. 30. Commercial agreement signed with Rumania (Summary *R.I.I.C.* Sept. 1933).
 Sept. 4. Ratifications exchanged with U.S.S.R. of agreement of April 10, 1932, concerning judicial relations on the frontier.
 Dec. 15. Ratifications exchanged with Turkey of establishment convention and protocol of Aug. 29, 1931.
 See also under AUSTRIA, March 23, May 16, Oct. 11; BELGIUM, June 10; BRAZIL, Jan. 27; CZECHOSLOVAKIA, Feb. 17, July 10; DANZIG; DENMARK, Jan. 25; ESTONIA, Sept. 26; GERMANY, Jan. 2, June 16, Aug. 11, Aug. 24, Sept. 30, Nov. 26; ITALY, Oct. 30; JUGOSLAVIA, May 27; LATVIA, Oct. 19?; NETHERLANDS, Dec. 11. •

PORTUGAL

- 1932, Jan. 20. Extradition convention signed with Australia, Great Britain, India, New Zealand, and South Africa. Ratifications exchanged Dec. 29 (*Cmd.* 4401).
 1933, Feb. 24. Exchange of notes with Spain regarding passports.
 April 25. Judicial convention with Great Britain of July 9, 1931, extended to certain British colonies, protectorates, and mandated territories as from April 30 and to Southern Rhodesia as from May 12 by exchanges of notes of March 30/April 25 and April 12/26 (*L.N.T.S.* 134 and 138). Also extended to Australia and dependencies as from Nov. 10.
 Oct. 14. Exchange of notes with Great Britain regarding flag discrimination in Portuguese ports (*Cmd.* 4444).
 Dec. 18. Ratifications exchanged with Sweden of arbitration, conciliation, and judicial settlement convention of Dec. 6, 1932 (*S.Ö.F.M.* No. 34, 1933).
 See also under BRAZIL, Aug. 26; FRANCE, May 3; GERMANY, Oct. 6; LUXEMBOURG, June 23/27; NORWAY, July 4/8; POLAND, Jan. 20/26.

PRUSSIA

- 1933, Aug. 4. Exchange of notes with Vatican regarding diocesan boundaries.

RUMANIA

- 1933, Jan. 12. Clearing agreement concluded with Switzerland and Liechtenstein, in force from Jan. 25. Jan. 16, protocol signed additional to commercial agreement of Aug. 25, 1930. Came into force Jan. 25 (*R.d.L.F.* Feb. 22, 1933). July 19, establishment convention signed (*F.F.* Sept. 6, 1933).
 Aug. 4. Spain denounced commercial agreement of April 30/July 18, 1930, as from Oct. 4. Further prolonged indefinitely.

RUMANIA: *cont.*

- 1933, Sept. 25. Exchange of notes with Great Britain regarding certificates of origin (*Cmd.* 4459).
 Oct. 17. Friendship, non-aggression, arbitration, and conciliation treaty signed with Turkey (*T.I.* Nov. 1933).
 See also under AUSTRIA, March 6; BELGIUM, Sept. 6; CZECHOSLOVAKIA, Feb. 8, Feb. 16, Feb. 28; GERMANY, Feb. 8; GREECE, Sept. 15; HUNGARY, March 1, Oct. 23; ITALY, Jan. 7, Feb. 25; JUGOSLAVIA, Jan. 1, Jan. 30; NETHERLANDS, Jan. 4; POLAND, Aug. 30.

SAAR

- See under FRANCE, Feb. 1; GERMANY, June 22.

SALVADOR

- 1933, Feb. 1. Commercial treaty with Spain of April 24/May 28, 1924, prolonged till May 1, 1934.
 April 30. Commercial treaty with Switzerland of Oct. 30, 1883, prolonged from April 30 till Dec. 31.
 Aug. 23. Commercial agreement with Great Britain of Aug. 8, 1931, prolonged till Sept. 15, 1934.
 See also under BELGIUM, Dec. 15; FRANCE, June 3; ITALY, April 29.

SA'UDĪ ARABIA

- 1933, Feb. Commercial agreement concluded with Syria and Lebanon.
 July 27. Friendship treaty and arbitration protocol signed with Transjordan.
 Nov. 7. Agreement signed with U.S.A. regarding commercial, diplomatic, and judicial relations (*U.S.E.A.* No. 53).

SOUTH AFRICA

- 1933, Aug. 27. Money order agreement signed on July 27/Aug. 27 with Kenya, Tanganyika, and Uganda.
 Sept. 20. Exchange of notes with U.S.A. of March 17/Sept. 20 effecting two aviation agreements in force from Sept. 20 (*U.S.E.A.* Nos. 54, 55).
 Oct. 1. Death duties agreement of April 8/21, 1932, came into force with Southern Rhodesia.
 See also under ITALY, July 19; MASCAT; PORTUGAL, 1932, Jan. 20.

SOUTHERN RHODESIA

- See under AUSTRIA, April 20; CZECHOSLOVAKIA, May 8; DENMARK, April 24; ESTONIA, Feb. 14/17; FRANCE, April 27; GERMANY, Jan. 3; ITALY, May 5; NORWAY, April 12/22; POLAND, April 3/27; PORTUGAL, April 25; SOUTH AFRICA, Oct. 1; SPAIN, April 10/29; SWEDEN, April 10/19; TURKEY, April 12.

SPAIN

- 1932, Nov. 2. Exchange of notes with Turkey regarding commercial relations (Summary *R.I.I.C.* March 1933). 1933, Sept. 27, Spain denounced agreement as from Nov. 2.
 1933, Jan. 30. Commercial agreement signed with Uruguay additional to treaties of July 19, 1870, and Aug. 22, 1882 (*R.I.I.C.* June 1933).

SPAIN: *cont.*

1933, March 11. Ratifications exchanged with Sweden of aviation convention of April 8, 1932 (*S.Ö.F.M.* No. 1, 1933).

April 10/29. Exchange of notes with Great Britain extending judicial convention of June 27, 1929, to Southern Rhodesia as from May 10. Also extended to Australia and dependencies as from Nov. 10.

See also under BELGIUM, Jan. 9, Feb. 23; CHILE, 1932, Dec. 19; DOMINICAN REPUBLIC; ESTONIA, Oct. 31; FRANCE, Feb. 28, June 14, Dec. 28; GERMANY, Jan. 17; GREECE, May 12; ITALY, Aug. 10; MEXICO, Sept. 5; NETHERLANDS, Jan. 11; PARAGUAY, Oct. 25; PORTUGAL, Feb. 24; RUMANIA, Aug. 4; SALVADOR, Feb. 1.

SWEDEN

1933, Jan. 4. Exchange of notes with Great Britain of Dec. 30, 1932, and Jan. 3/4, 1933, abrogating declaration of July 12, 1881, regarding assistance to seamen with effect from Dec. 31, 1932 (*S.Ö.F.M.* No. 2, 1933).

Jan. 31. Convention signed with U.S.A. regarding military service in cases of double nationality.

April 18. Ratifications exchanged with Turkey of arbitration, conciliation, and judicial settlement treaty of Feb. 19, 1932 (*S.Ö.F.M.* No. 11, 1933).

April 19. Exchange of notes with Great Britain of April 10/19 extending judicial convention of Aug. 28, 1930, to Southern Rhodesia as from May 10 (*L.N.T.S.* 138). May 15, commercial agreement signed. Ratifications exchanged July 4 (*Cmd.* 4421).

June 8. Compensation agreement signed with Turkey. Came into force July 1 (Summary *R.I.I.C.* Sept. 1933).

Sept. 8/9. Three aviation agreements concluded with U.S.A. by exchange of notes (*U.S.E.A.* Nos. 47-49).

See also under AUSTRIA, May 16; BELGIUM, April 11; CHILE, March 8; DENMARK, Jan. 1, March 18, May 22, Aug. 16, Sept. 26; FINLAND, Jan. 11, Feb. 16, Oct. 2; FRANCE, March 13; GERMANY, Feb. 15, July 26; NETHERLANDS, Jan. 1; NEW ZEALAND; NORWAY, Feb. 7, Aug. 22; PORTUGAL, Dec. 18; SPAIN, March 11.

SWITZERLAND

1933, June 1. Extradition treaty, civil and commercial procedure convention, and protocol modifying conciliation treaty of Dec. 9, 1928, signed with Turkey (*F.F.* July 19, 1933). Dec. 4, import quotas agreement signed, in force for two months from Dec. 11. Dec. 29, commercial payments agreement signed, including Liechtenstein (Summary *R.I.I.C.* March 1934).

See also under ABYSSINIA, May 24; AUSTRIA, Jan. 1, March 18, April 18, June 30; BRAZIL, 1932, July 23; BULGARIA, March 1; CZECHOSLOVAKIA, March 27; FRANCE, June 1, July 31; GERMANY, March 3, May 19; GREECE, March 13; HUNGARY, Feb. 25; ITALY, Jan. 3, Oct. 12, Dec. 30; JUGOSLAVIA, Aug. 29; NEW ZEALAND; RUMANIA, Jan. 12; SALVADOR, April 30.

SYRIA

1933, Aug. 13. Prolongation *sine die* of commercial agreement with Turkey expiring Aug. 13.

See also under BRAZIL, Feb. 24; FRANCE, Nov. 16; SA'UDĪ ARABIA, Feb.

TRANSJORDAN

See under GERMANY, Feb. 28; SA'UDĪ ARABIA, July 27.

TUNIS

1933, Jan. 1. Money order convention of Dec. 28, 1932, came into force with U.S.A. (Summary *R.I.I.C.* June 1933).

TURKEY

1933, Feb. 15. Ratifications exchanged with U.S.A. of establishment treaty of Oct. 28, 1931 (*U.S.T.S.* 859).

March 28. Protocol signed with U.S.S.R. prolonging frontier disputes convention of Aug. 6, 1928, for six months.

April 12. Ratifications exchanged with Great Britain of judicial convention of Nov. 28, 1931 (*Cmd.* 4318). Extended to Northern Ireland and Southern Rhodesia by exchange of notes of Aug. 7/19 as from Sept. 7, and to Scotland as from Sept. 30 by exchange of notes of Aug. 31/Sept. 19. Sept. 20/Nov. 16, exchange of notes with New Zealand regarding extension as from Oct. 20. Extended to various British colonies, protectorates, and mandated territories as from Dec. 14 and to Barbados and Mauritius as from Dec. 24.

See also under AUSTRIA, July 12; BELGIUM, Sept. 19, Nov. 23; BRAZIL, July 2; BULGARIA, Sept. 23; CZECHOSLOVAKIA, March 6; DENMARK, Dec. 18; ESTONIA, Jan. 13; FINLAND, Dec. 19; FRANCE, May 13, July 27; GERMANY, Aug. 17; GREECE, Jan. 9, May 9, Sept. 14; HUNGARY, Aug. 1, Oct. 22; IRĀQ, June 21; ITALY, Oct. 16; JUGOSLAVIA, Sept. 13; NETHERLANDS, Nov. 4; NORWAY, April 1; POLAND, Dec. 15; RUMANIA, Oct. 17; SPAIN, 1932, Nov. 2; SWEDEN, April 18, June 8; SWITZERLAND, June 1; SYRIA, Aug. 13.

URUGUAY

See under BRAZIL, Aug. 25; EGYPT, Nov. 21; GERMANY, Jan. 18, March 14; JAPAN, May 9; SPAIN, Jan. 30.

U.S.A.

See under ALBANIA, March 1, July 1; CANADA, Jan. 13, Oct. 5, Dec. 9; CHINA, Feb. 8/12; COLOMBIA, Dec. 15; DENMARK, 1932, Dec. 9/28; 1933, Nov. 11; FRANCE, March 4; GERMANY, Aug. 31; GREECE, Aug. 1, Nov. 6; HAITI; MEXICO, Feb. 1; NORWAY, Oct. 16; PANAMÁ, March 25; POLAND, June 9; SA'UDĪ ARABIA, Nov. 7; SOUTH AFRICA, Sept. 20; SWEDEN, Jan. 31, Sept. 8/9; TUNIS, Jan. 1; TURKEY, Feb. 15.

U.S.S.R.

1933, April 17. Commercial agreement with Great Britain ceased to be in force.

See also under ESTONIA, April 21; FINLAND, Jan. 5; FRANCE, Feb. 15;

GERMANY, May 5; GREECE, Sept. 8; ITALY, May 6, Sept. 2; LATVIA, Dec. 4; LITHUANIA, July 5; NORWAY, May 29; POLAND, Jan. 27, June 3, June 20; TURKEY, March 28.

VATICAN

See under AUSTRIA, June 5; BADEN; GERMANY, July 20; ITALY, June 9; PRUSSIA.

VENEZUELA

See under BRAZIL, March 21/23; NETHERLANDS, April 5.

YAMAN

See under NETHERLANDS, March 12.

(ii) General International Conventions.

AERIAL NAVIGATION

(i) (1) Convention (Paris, Oct. 13, 1919); (2) Additional Protocol (Paris, May 1, 1920); (3) Protocol modifying Art. 5 of convention (London, Oct. 27, 1922); (4) Protocol amending Art. 34 (London, June 30, 1923).

1933 Accession: Chile (1), April 11.

(ii) Protocols. (1) Amendments to Arts. 3, 5, 7, 15, 34, 37, 41, 42 and final clauses of convention of 1919 and protocol of 1920 (Paris, June 15, 1929); (2) Amendments to Arts. 34 and 40 (Paris, Dec. 11, 1929).

1933 Accessions: Finland (1, 2), *as from* May 17; Norway (1, 2), *as from* May 17.

1933 Ratifications: Chile (1, 2), Jan. 31; Uruguay (1, 2), May 17.

(iii) Convention on the unification of certain rules concerning international aerial transport (Warsaw, Oct. 12, 1929).

1933 Accession: Mexico, Feb. 14.

1933 Ratifications: Germany, Sept. 30; Great Britain, Feb. 14; Italy, Feb. 14; Netherlands (and colonies), July 1.

(iv) Sanitary convention (The Hague, April 12, 1933).

1933 Signatures: Belgium, France, Great Britain, Italy, Monaco, Morocco, Poland, Rumania, Syria and Lebanon, Tunis.

(v) Private air law conventions (Rome, May 29, 1933). (1) Precautionary attachment of aircraft; (2) Damages caused to third parties on the surface.

1933 Signatures: Austria (1, 2), Belgium (1, 2), Brazil (1, 2), Czechoslovakia (1, 2), Denmark (1, 2), France (1, 2), Germany (1, 2), Great Britain (1, 2), Guatemala (1, 2), India (1, 2), Italy (1, 2), Lithuania (1, 2), Norway (1, 2), Poland (1, 2), Rumania (1, 2), Salvador (1, 2), San Marino (1, 2), Spain (1, 2), Switzerland (1, 2), Turkey (1, 2), June 8; U.S.A. (1, 2).

AFRICA: Convention for the preservation of fauna and flora in (London, Nov. 8, 1933).

1933 Signatures: Belgium, Egypt, France, Great Britain and Northern Ireland, Italy, Portugal, S. Africa, Spain, Sudan.

AGGRESSION

- (i) Eight-power convention on definition of (London, July 3, 1933).
1933 Signatures: Afghanistan, Estonia, Latvia, Persia, Poland, Rumania, Turkey, U.S.S.R.
1933 Accession: Finland, July 22.
1933 Ratifications: Afghanistan; Estonia, Dec. 4; Latvia, Dec. 4; Persia, Nov. 16; Poland, Oct. 16; Rumania, Oct. 16; U.S.S.R., Oct. 16.
- (ii) Five-power convention (London, July 4, 1933).
1933 Signatures: Czechoslovakia, Jugoslavia, Rumania, Turkey, U.S.S.R.

ANTI-DIPHTHERIC SERUM: Convention (Paris, Aug. 1, 1930).

1933 Ratification: Greece, Jan. 21.

ARBITRATION CLAUSES IN COMMERCIAL MATTERS: Convention on the execution of foreign arbitral awards (Geneva, Sept. 26, 1927).

1933 Accession: Netherlands East Indies, Surinam, and Curaçao, Jan. 28.

ARMS AND AMMUNITION: Supervision of the international trade in (Geneva, June 17, 1925). (1) Convention; (2) Declaration regarding territory of Ifni; (3) Protocol for the prohibition of the use in war of asphyxiating, poisonous, and other gases and of bacteriological methods of warfare.

1933 Ratification: Lithuania (3), June 15.

AUSTRIA: Agreement for guaranteeing a further loan to (Geneva, July 15, 1932).

1933 Ratification: Belgium, Sept. 23.

BILLS OF EXCHANGE AND CHEQUES

(i) Unification of laws on bills of exchange, promissory notes, and cheques (Geneva, June 7, 1930). (1) Convention and protocol providing a uniform law for bills of exchange and promissory notes; (2) Convention and protocol for the settlement of conflicts of laws; (3) Convention and protocol on stamp laws.

1933 Ratification: Germany (1-3), Oct. 3.

(ii) Conventions (Geneva, March 19, 1931). (1) Convention and protocol providing a uniform law for cheques; (2) Convention and protocol for the settlement of conflicts of laws; (3) Convention and protocol on stamp laws.

1933 Ratifications: Germany (1-3), Oct. 3; Italy (1-3), Aug. 31; Japan (1-3), Aug. 25; Monaco (1-3), Feb. 9.

BUOYAGE AND LIGHTING OF COASTS: Agreements (Lisbon, Oct. 23, 1930).

(1) Maritime signals; (2) Manned lightships not on their stations.

1933 Accession: French colonies and mandated territories (1, 2), Oct. 28.

1933 Ratifications: Danzig (1, 2), Oct. 2; Monaco (1), Nov. 3; Poland (1, 2), Oct. 2; Spain (1, 2), Nov. 3; Sweden (2), Feb. 3.

COMMUNICATIONS AND TRANSIT

(i) Conventions (Barcelona, April 20, 1921). (1) Freedom of transit; (2) Navigable waterways; (3) Right to a flag of states having no sea-coast.

1933 Accessions: Abyssinia (1), *ad referendum*, Oct. 16; Danzig (3), Jan. 10; Turkey (1-3), June 27.

(ii) Conventions (Geneva, Dec. 9, 1923)—(1) International régime of railways; (2) International régime of maritime ports; (3) Transmission in transit of electric power; (4) Development of hydraulic power affecting more than one state.

1933 Ratifications: Hungary (4), March 20; Italy (2), Oct. 16.

COUNTERFEITING CURRENCY: Suppression of (Geneva, April 20, 1929)—

(1) Convention and protocol; (2) Optional protocol.

1933 Ratifications: Cuba (1, 2), June 13; Germany (1), Oct. 3; Hungary (1), June 14.

CUSTOMS FORMALITIES: Convention for simplification of (Geneva, Nov. 3, 1923).

1933 Accession: Syria and Lebanon, March 9.

ECONOMIC STATISTICS: Convention and protocol (Geneva, Dec. 14, 1928).

1933 Accession: Netherlands East Indies, May 5.

1933 Ratification: France, Feb. 1.

FILMS: Convention for facilitating the international circulation of educational films (Geneva, Oct. 11, 1933).

1933 Signatures: Albania, Finland, Great Britain and colonies, Greece, India, Italy, Nicaragua, Panama, Switzerland, Uruguay.

IMPORT AND EXPORT TRADE: Abolition of prohibitions and restrictions on—(1) Convention and declaration (Geneva, Nov. 8, 1927); (2) Agreement (Geneva, July 11, 1928).

In accordance with Art. 6 of the Paris Protocol of Dec. 20, 1929, Denmark, Great Britain, Norway, and U.S.A. consider themselves as relieved from the obligations of the above agreements as from June 30, 1933.

INDUSTRIAL PROPERTY: Revised conventions (The Hague, Nov. 6, 1925).

(1) Protection of industrial property; (2) False indications of origin; (3) International registration of trade-marks; (4) International registration of industrial designs or models.

1930 Accession: French colonies, protectorates, and mandated territories, Morocco and Tunis (1-4), *as from* Oct. 20.¹

1933 Accessions: Czechoslovakia (1-3), *as from* March 3; Liechtenstein (1-4), *as from* July 14; New Zealand (2), *as from* Jan. 10; Palestine (1, 2), *as from* Sept. 12.

1933 Ratification: Australia, New Guinea, and Papua, *as from* Feb. 12.

INTERNATIONAL EXHIBITIONS: Convention (Paris, Nov. 22, 1928).

1933 Ratification: Greece, Jan. 21.

¹ Extension of French accession of that date.

INTERNATIONAL LAW: Progressive codification of—Convention and protocols (The Hague, April 12, 1930)—(1) Convention on conflict of nationality laws; (2) Protocol concerning military obligations in certain cases of double nationality; (3) Protocol relating to a special case of statelessness; (4) Special protocol concerning statelessness.

1933 Ratification: Sweden (1, 2), July 6.

LABOUR

(i) Draft conventions (Washington, Nov. 28, 1919)—(1) Limitation of hours of work; (2) Unemployment; (3) Employment of women before and after childbirth; (4) Employment of women during the night; (5) Minimum age for admission of children to industrial employment; (6) Night work of young persons employed in industry.

1933 Ratifications: Argentina (1-6), Nov. 30; Colombia (1-5), June 20; Uruguay (1-6), June 6; Venezuela (4-6), March 7.

(ii) Draft conventions (Genoa, June 15-July 10, 1920)—(1) Minimum age for admission of children to employment at sea; (2) Unemployment indemnity in case of loss or foundering of the ship; (3) Facilities for finding employment for seamen.

1933 Ratifications: Argentina (1-3), Nov. 30; Colombia (1-3), June 20; Dominican Republic (1), Feb. 4; Uruguay (1-3), June 6.

(iii) Draft conventions (Geneva, Oct. 25-Nov. 19, 1921)—(1) Minimum age for admission of children to employment in agriculture; (2) Right of association and combination of agricultural workers; (3) Workmen's compensation in agriculture; (4) Use of white lead in painting; (5) Application of the weekly rest in industry; (6) Minimum age for admission of young persons to employment as trimmers and stokers; (7) Compulsory medical examination of children and young persons employed at sea.

1933 Ratifications: Colombia (2-7), June 20; Dominican Republic (1), Feb. 4; Uruguay (1-7), June 6; Venezuela (4), April 28.

(iv) Draft conventions (Geneva, June 5-10, 1925)—(1) Workmen's compensation for accidents; (2) Workmen's compensation for occupational diseases; (3) Equality of treatment for national and foreign workmen as regards compensation for accidents; (4) Night work in bakeries.

1933 Ratifications: Chile (2, 4), May 31; Colombia (1-4), June 20; Uruguay (1-4), June 6.

(v) Draft conventions (Geneva, June 5-24, 1926)—(1) Simplification of the inspection of emigrants on board ship; (2) Seamen's articles of agreement; (3) Repatriation of seamen.

1933 Ratifications: Colombia (1-3), June 20; Uruguay (1-3), June 6.

(vi) Draft conventions (Geneva, June 15, 1927)—(1) Sicknes insurance for workers in industry and commerce and domestic service; (2) Sicknes insurance for agricultural workers.

1933 Ratifications: Colombia (1, 2), June 20; Uruguay (1, 2), June 6.

(vii) Draft convention concerning minimum-wage-fixing machinery (Geneva, June 16, 1928).

1933 Ratifications: Chile, May 31; Colombia, June 20; Norway, July 7; Uruguay, June 6.

(viii) Draft convention regarding marking of the weight of heavy packages transported by vessels (Geneva, June 21, 1929).

LABOUR: *cont.*

1933 Ratifications: Chile, May 31; Denmark, Jan. 18; Germany, July 5; Italy, July 18; Yugoslavia, April 22; Netherlands, Jan. 4; Uruguay, June 6.

(ix) Draft conventions (Geneva, June 28, 1930)—(1) Forced or compulsory labour; (2) Hours of work in commerce and offices.

1933 Ratifications: Austria (2), Feb. 16; Chile (1), May 31; Yugoslavia (1), March 4; Netherlands (1), March 31; Southern Rhodesia (1), March 20; Uruguay (2), June 6.

(x) Draft conventions (April 27–30, 1932)—(1) Protection against accidents of workers employed in loading or unloading ships (revising 1929 convention); (2) Age for admission of children to non-industrial employment.

1933 Ratifications: Italy (1), Oct. 30; Uruguay (1, 2), June 6.

LITERARY AND ARTISTIC WORKS: Revised convention for the protection of (Rome, June 2, 1928).

1933 Accessions: Brazil, *as from* June 1; Denmark, *as from* Sept. 16; Federated Malay States, *as from* Jan. 10; France and colonies, *as from* Dec. 22; Germany, *as from* Oct. 21; Monaco, *as from* June 9; Newfoundland, *as from* Dec. 11; Spain, *as from* April 23; Syria and Lebanon, *as from* Dec. 24; Tunis, *as from* Dec. 22.

LOAD-LINE: Convention and protocol (London, July 5, 1930).

1933 Accessions: Bulgaria, *as from* Dec. 4; Danzig, *as from* Nov. 4; Hungary, *as from* April 16; Netherlands East Indies, Surinam, and Curaçao, *as from* April 27; Rumania, *as from* April 1; Siam, *as from* Oct. 11.

1933 Ratifications: Chile, May 24; Germany, Sept. 6; Peru, March 30; Poland, Sept. 6.

MATCHES: White phosphorus convention (Berne, Sept. 26, 1906).

1933 Accessions: Persia, June 5; Turkey, *as from* Feb. 17.

OBSCENE PUBLICATIONS: Convention (Geneva, Sept. 12, 1923).

1933 Accessions: Guatemala, Oct. 5; Paraguay, Oct. 21.

OPIUM AND OTHER DRUGS

(i) (1) Convention (The Hague, Jan. 23, 1912); (2) Protocol (The Hague, June 25, 1914).

1933 Signature and Ratification: Turkey (1, 2), Sept. 15.

(ii) Convention and protocol of second Opium Conference (Geneva, Feb. 19, 1925).

1933 Accession: Turkey, April 3.

1933 Ratification: Chile, Feb. 11.

(iii) Convention and protocol of signature for limiting the manufacture of narcotic drugs (Geneva, July 13, 1931).

1933 Accessions: Bulgaria,¹ March 20; Czechoslovakia,² April 12; Haiti,¹ May 4; Honduras, July 1, *ad ref.*; Hungary, April 10; Irish Free State, April 11; Salvador,¹ April 7; Sudan (convention), Aug. 25; (protocol), Jan. 18; Turkey, April 3.

1933 Ratifications: Belgium, April 10; Brazil, April 5; Chile (conven-

¹ Convention only.

² Protocol only.

OPIMUM AND OTHER DRUGS: *cont.*

tion), March 31; (protocol), Nov. 20; Costa Rica, April 5; Cuba, April 4; Czechoslovakia,¹ April 12; Danzig, April 18; Dominican Republic,¹ April 8; Egypt, April 10; France, April 10; Germany, April 10; Great Britain, April 1; Guatemala,¹ May 1; Italy, March 21; Lithuania, April 10; Mexico, March 13; Monaco (convention), Feb. 16; (protocol), March 20; Netherlands and colonies, May 22; Poland, April 11; Rumania, April 11; San Marino, June 12; Spain, April 7; Switzerland, April 10; Uruguay, April 7; Venezuela,¹ Nov. 15.

(iv) Agreement regarding opium-smoking (Bangkok, Nov. 27, 1931).

1931 *Signatures*: France, Great Britain, India, Japan, Netherlands, Portugal, Siam.

1933 *Ratifications*: France, May 10; Great Britain, April 3; Netherlands, May 22.

PAN-AMERICAN CONVENTIONS

(i) Treaty for avoiding or preventing conflicts, 'Gondra Pact' (Santiago, May 3, 1923).

1933 *Ratification*: Nicaragua, Jan. 11.

(ii) (1) Sanitary code (Havana, Nov. 14, 1924); (2) Additional protocols (Lima, Oct. 19, 1927).

1933 *Ratifications*: Colombia (1), July 27; Guatemala (1), June 21; Venezuela (1, 2), April 26.

(iii) Conventions (Havana, Jan. 16–Feb. 20, 1928)—(1) Commercial aviation; (2) Revision of Buenos Aires copyright convention; (3) Status of aliens; (4) Treaties; (5) Diplomatic officers; (6) Consular agents; (7) Maritime neutrality; (8) Asylum; (9) Rights and duties of states in the event of civil strife; (10) Pan-American Union; (11) Code of private international law.

1933 *Ratifications*: Chile (1), Sept. 6; Costa Rica (1, 2), June 16; (3, 5, 8, 9, 10), June 7; Cuba (5, 6, 10), April 5; Dominican Republic (3, 7), Jan. 4; Ecuador (11), May 31; Haiti (1), March 25; (3, 4, 7, 9, 10), March 9; Honduras (1), July 13; Uruguay (3, 5, 6, 8, 9, 10), Sept. 16.

(iv) Conventions (Washington, Jan. 5, 1929)—(1) Inter-American conciliation; (2) Arbitration; (3) Protocol of progressive arbitration.

1932 *Ratification*: Dominican Republic, Dec. 9.

1933 *Ratifications*: Ecuador (1), Feb. 22; Haiti (1), April 18; (2, 3), April 4; Nicaragua (1), Jan. 11; Panama (1), Feb. 20; (2), Jan. 20.

(v) Spanish-American postal agreements (Madrid, Nov. 10, 1931)—(1) Convention; (2) Money orders; (3) Parcel post.

1933 *Ratifications*: Argentina (1–3); Mexico (1–3), April 28; Panama (1, 3), March 8; Venezuela (1–3), July 7.

PERMANENT COURT

(i) (1) Protocol of signature of the statute of the Court; (2) Optional Clause (Geneva, Dec. 16, 1920).

1933 *Signature*: Germany (2), Feb. 9.²

1933 *Ratifications*: Dominican Republic (1, 2), Feb. 4; Germany (2), July 5; Paraguay (1, 2), May 11.

¹ Convention only.

² Renewal of previous signature.

PERMANENT COURT: *cont.*

(ii) Protocols (Geneva, Sept. 14, 1929)—(1) Revision of the statute of the Court; (2) Accession of the U.S.A. to the protocol of signature.

1933 Ratifications: Chile (1), Nov. 20; Dominican Republic (1, 2), Feb. 4; Lithuania (1, 2), Jan. 23; Paraguay (1), May 11; Uruguay (1, 2), Sept. 19; Venezuela (1), Aug. 4; (2) Sept. 14.

POSTAL: Conventions (London, June 28, 1929)—(1) Universal postal union; (2) Insured letters and boxes; (3) Parcel post; (4) Money orders; (5) Postal cheques; (6) Payment on delivery; (7) Subscriptions to periodicals.

1932 Ratification: Philippine Islands (1), Dec. 16.

1933 Accession: Afghanistan (3), *as from* April 12.

1933 Ratifications: Algeria (1-7), Jan. 4; French colonies, protectorates, and mandated territories (1-4), Jan. 4; Guatemala (3), May 22; Haiti (1, 3), April 28; Irish Free State (1, 2), Aug. 2; Venezuela (1, 3), June 9.

POTENT DRUGS: Arrangement for the unification of (Brussels, Aug. 20, 1929).

1933 Accession: Cuba, May 23.

RADIOTELEGRAPHIC CONVENTION, see under TELECOMMUNICATIONS

RAILWAY TRANSPORT: Additional act to goods traffic convention of Oct. 23, 1924 (Berne, Sept. 2, 1932).

1933 Accessions: Finland, *as from* Oct. 25; Greece, *as from* Dec. 6; Spain, March 23.

1933 Ratifications: Danzig, Dec. 19; Germany, Sept. 14; Hungary, Jan. 19; Liechtenstein, Jan. 22; Luxembourg, May 19; Netherlands, Oct. 24; Poland, Dec. 19.

RED CROSS: Conventions (Geneva, July 27, 1929)—(1) Wounded and sick; (2) Prisoners of war.

1933 Accession: Peru (1), *as from* Sept. 10.

1933 Ratifications: Canada (1, 2), Feb. 20; Chile (1, 2), June 1; Egypt (1, 2), July 25.

REFUGEES: Convention on international status of (Geneva, Oct. 28, 1933).

1933 Signatures: Belgium, Egypt, Dec. 11; France.

ROAD TRAFFIC: Conventions and agreement (Geneva, March 28-30, 1931)—(1) Road signals; (2) Taxation of foreign motor vehicles; (3) Agreement between customs authorities regarding undischarged or lost triptychs.

1933 Accessions: Irish Free State (2), Nov. 27; Jugoslavia (2), May 9; Newfoundland (2), Jan. 9.

1933 Definitive Signature: Czechoslovakia (3), June 28.

1933 Ratifications: Italy (1, 2), Sept. 25; Luxembourg, (2), March 31; Portugal (2), Jan. 23; Spain (1), July 18; (2), June 3; Sweden (2), Nov. 9.

SAFETY OF LIFE AT SEA: Convention (London, May 31, 1929).

1933 Accessions: Brazil, Jan. 1; Bulgaria, Sept. 4; China, Feb. 14; Danzig, Jan. 30; Hungary, Jan. 1; Iceland, Jan. 6; Portugal, Jan. 6.

SILVER: Agreement (London, July 26, 1933).

1933 *Signatures*: Australia, Canada, China, India, Mexico, Peru, Spain, U.S.A.

SLAVERY: Convention (Geneva, Sept. 25, 1926).

1933 *Accessions*: Hungary, Feb. 17¹; Turkey, July 24.

TARIFFS: Convention and protocol (Oslo, Dec. 22, 1930).

1931 *Ratifications*: Belgium, Oct. 21; Denmark, April 29; Norway, June 6; Sweden, June 17.

1932 *Ratification*: Netherlands, Jan. 23.

1933 *Accession*: Finland, *as from* Nov. 13.

TELECOMMUNICATIONS

(i) Radiotelegraphic convention (Washington, Nov. 25, 1927).

1933 *Ratifications*: Argentina,² May 15; Panama,² Jan. 20; Turkey, Jan. 26.

(ii) Agreements (Madrid, Dec. 9-10, 1932)—(1) Telecommunications convention; (2-3) General and additional radiocommunications regulations; (4) Final radio protocol; (5-6) Telegraph regulations and final protocol; (7) Telephone regulations; (8) European radio protocol.

1933 *Ratification*: Belgium, Belgian Congo, and Ruanda-Urundi, Dec. 2.

(iii) European radiodiffusion convention (Lucerne, June 18, 1933).

1933 *Signatures*: Algeria, Austria, Belgium, Cyrenaica, Czechoslovakia, Danzig, Denmark, Egypt, Estonia, France, Germany, Great Britain, Iceland, Italy, Jugoslavia, Latvia, Morocco (French and Spanish zones), Norway, Palestine, Portugal, Rumania, Spain, Switzerland, Syria and Lebanon, Tripolitania, Tunis, Turkey, U.S.S.R.

TRAFFIC IN WOMEN AND CHILDREN

(i) (1) Agreement (Paris, May 18, 1904); (2) Convention (Paris, May 4, 1910).

1933 *Accessions*: Egypt (1, 2), *as from* April 11; Persia (1, 2), April 27.

1933 *Ratification*: Denmark (1, 2), *in force from* Jan. 1.

(ii) Convention (Geneva, Sept. 30, 1921).

1933 *Accession*: Denmark and Iceland, *as from* Jan. 1.

1933 *Ratification*: Brazil, Aug. 18; Persia, March 28.

(iii) Convention for the suppression of the traffic in women of full age (Geneva, Oct. 11, 1933).

1933 *Signatures*: Albania, Australia, Austria, Belgium, China, Czechoslovakia, Danzig, France, Germany, Great Britain, Greece, Jugoslavia, Lithuania, Netherlands and colonies, Norway, Panama, Poland, Portugal, S. Africa, Spain, Sweden, Switzerland.

WAR

(i) Convention to improve the means of preventing war (Geneva, Sept. 26, 1931).

1933 *Ratification*: Netherlands and colonies, May 30.

(ii) Anti-war treaty (Rio de Janeiro, Oct. 10, 1933).

1933 *Signatures*: Argentina, Brazil, Chile, Mexico, Paraguay, Uruguay.

1934 *Accession*: Italy.

¹ Definitive accession and withdrawal of reservation.
Including additional regulations.

WHALING: Convention for the regulation of (Geneva, Sept. 24, 1931).

1933 *Accession*: Egypt, Jan. 25.

1933 *Ratifications*: Czechoslovakia, Oct. 20; Italy, June 12; Netherlands and colonies, May 30; Poland, Sept. 27; South Africa, Jan. 11; Spain, Aug. 2; Switzerland, Feb. 16.

WHEAT: Final act of conference of wheat exporting and importing countries (London, Aug. 25, 1933).

1933 *Definitive Signatures*: Argentina, Australia, Austria, Belgium, Bulgaria, Canada, Czechoslovakia, France, Germany, Great Britain, Greece, Hungary, Italy, Yugoslavia, Poland, Rumania, Spain, Sweden, Switzerland, U.S.A., U.S.S.R.